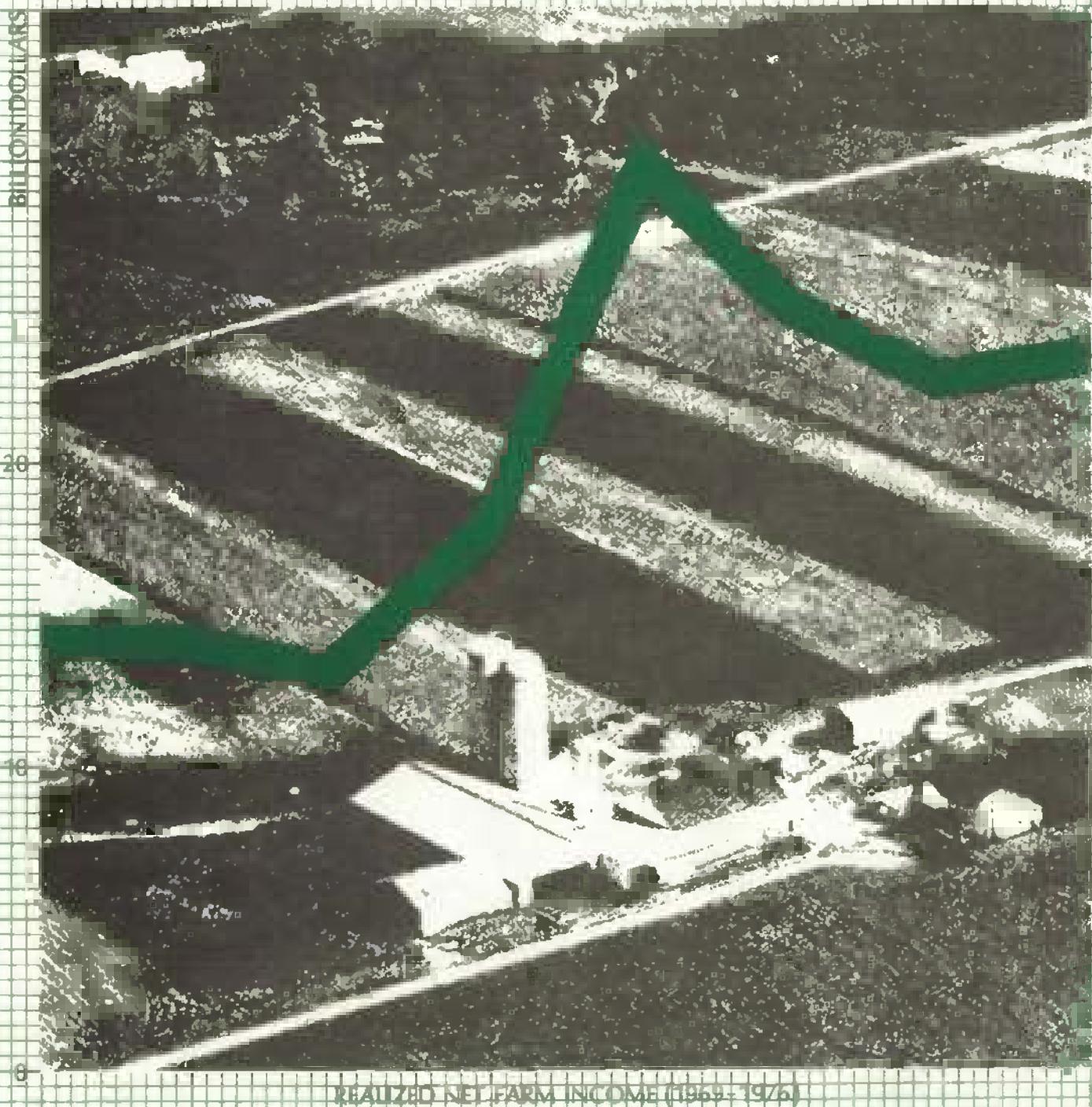


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Commodity Highlights

Crop Conditions: Crop planting by late April was running above normal, although lagging the hot pace of 1976. The winter wheat crop perked up in major producing States. Farmers plan to plant about 1 to 2 million more acres to major crops than in 1976.

Soybeans: Supplies extremely tight. Prices topped \$10 a bushel in mid-April, more than double a year ago. Prices edged down later in April, but further rises likely. April 1 stocks down a third, lowest since 1973. crushings will have to drop sharply in coming months...exports holding up...Brazil's 12 million m.t. harvest lower than expected...world supplies to remain tight. U.S. farmers plan to boost 1977 acreage a tenth. Higher prices could encourage even larger plantings.

Soybean meal: Production cutback in months ahead...domestic and overseas demand strong despite high prices, but use to slacken...prices up sharply to high of around \$300 a ton at Decatur in mid-April vs. \$130 a year ago...late month dip but prices to remain high.

Soybean oil: 1976/77 supplies near a year ago. Higher prices discourage domestic use...world demand strong...U.S. exports up 86 percent in Oct.-March. Prices up sharply since February...soy oil bringing around 30 cents a lb. in late April, 17 cents last April...prices to remain high in coming months...food manufacturers hard hit.

Corn: Farmers' April intentions to plant 83.9 million acres (nearly the same as planned in January) surprised some in the trade...many had expected maybe 3 million less. Farmers may in fact back off some if there's wet planting weather and if the recent runup in soybean prices relative to corn sticks...but with a higher loan rate and some uncertainty over acreage allotments in proposed farm legislation, acreage may hold.

Wheat: Planting intentions showed a surprise pickup of 400,000 acres of durum, mainly in North Dakota. Other spring wheat was off about 700,000 acres...all wheat plantings now down 7 percent...huge carryover, prospective large supplies, and punk prices dominate the wheat picture.

(Continued on page 5)



Food Prices to Register Moderate Gains

U.S. agriculture continues subject to the whims of weather and economic conditions around the world. Currently, the world agricultural economy is characterized by generally large food supplies and increasing consumption. Recent export levels demonstrate the strengthening of foreign demand for many U.S. farm products. Export value is up dramatically for several major commodities, including cotton, soybeans and soybean products, animal fats, cattle hides, and vegetables. On the other hand, growing world grain supplies have depressed prices and are restraining U.S. exports. Wheat exports are down sharply this marketing year.

Economic growth is continuing in 1977 at moderate rates around the world. The Organization for Economic Cooperation and Development (OECD) forecasts real growth of 3½ to 4 percent in its member countries, compared with 5 percent growth in 1976. The greatest strength is in the largest economies—Japan, Germany, and the United States—despite cautious Government economic programs.

Among the developed countries, the economies of France, the United Kingdom, and Italy are most worrisome. The overall foreign exchange position of the developing countries has improved in the past year as their exports have risen sharply. For instance, India is experiencing an export boom to the Middle East of commodities ranging from steel to sugar.

In the United States, real growth topped 5 percent in the first quarter in spite of severe weather problems, with much of the growth due to accumulating inventories. The rate of inflation continued around the fourth quarter's 6-percent rate and suggests a cautious optimism for the remainder of 1977.

Early prospects are favorable for 1977/78 world agricultural production. Fall-seeded crops in the Northern Hemisphere wintered well and large harvests are expected. As the 1977 spring planting season gets underway, weather and soil conditions are generally promising around the world. Early prospects point to a 1977/78 world wheat and coarse grain crop only marginally below last year's record 1,103 million tons with a further buildup of stocks expected.

Beef and veal production in the major exporting countries may be marginally lower in 1977, but exports from these countries are likely to increase. Following a 5-percent increase in 1976, meat production in the leading importing countries—the United States, Canada, the European Community, and Japan—is forecast to rise 1 percent in 1977. World prices have skyrocketed for those commodities in short supply—cotton, protein meal, coffee, and cocoa. If weather favors production increases, prices will likely fall later this year.

U.S. Planting Ahead of Average

U.S. farmers are now concentrating their full efforts into getting their crops planted, often working round the clock. And weather has so far been generally cooperative. By the end of April, plantings of most crops were running ahead of average, although behind last year's unusually rapid pace.

As of April 1, farmers indicated plans to plant around 284 million acres to major field crops this year, up 1 to 2 million acres from last year but some 10 million more than in 1975.

Farmers are responding to strong prices by boosting soybean acreage by a tenth and cotton acreage by almost a fifth over last year. With soybean prices continuing strong, farmers may boost actual soybean plantings even further.

Corn seeding plans on April 1 were close to 1976's 74 million acres, although

plantings could drop some because of the recent runup in soybean prices, especially if planting conditions turn unfavorable in coming weeks. Wheat acreage, including that planted last fall, is expected to be down around 7 percent from a year ago.

What crops farmers finally put in the ground will be influenced by changing market conditions for farm products as well as by weather developments at planting time. After planting, weather will play the key role in determining 1977 crop output.

If weather continues relatively favorable during the rest of the season, these anticipated plantings should yield big crops again this year. Soybean output would likely rise almost a fourth and feed grain production may rise 5 to 6 percent. On the other hand, wheat and rice production would likely be below 1976. These larger crop supplies point to lower average prices for most crops during the 1977/78 season.

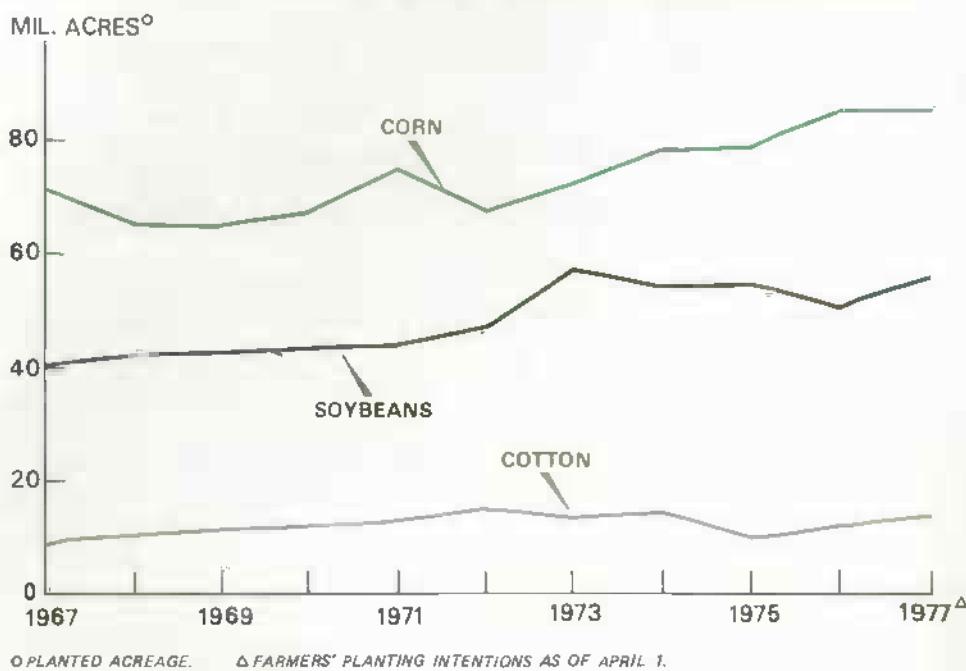
Conversely, unfavorable weather here and abroad would sharply reduce our crop output at the same time overseas demand would be strengthening. The result would be a sharp rise in crop prices in 1977/78.

Greatly improved U.S. weather and the adaptability of U.S. farmers to adverse conditions suggest that the odds at this time are for U.S. and world crops to be closer to the favorable weather alternative than to the poor weather alternative.

Crop Prices Spurt

Led by soybeans, cotton, and fresh vegetables, crop prices received by farmers have risen substantially since last November's lows. By April, overall farm crop prices were averaging 12 percent above a year earlier, although wheat prices were still down sharply.

SOYBEAN AND COTTON ACREAGE UP IN 1977; CORN STEADY



Soybeans (No. 1 yellow at Chicago) broke the \$10-a-bushel level in mid-April, more than double a year earlier. Although prices edged off in late April, intense competition between domestic crushers and exporters for the remaining supply of U.S. soybeans likely will push prices even higher. Cotton prices also eased some in recent weeks, but were still around a fourth above a year ago in late April.

Small fresh vegetable supplies (because of the January freeze in Florida) drove prices up sharply, but fresh vegetable prices are now dropping seasonally as supplies return to more normal levels. On the other hand, wheat prices continue about a third below last year, the result of large domestic supplies and lagging exports.

Crop prices are likely to stay strong in coming months until this year's crop picture becomes clearer. If weather continues favorable, the resultant large crop output would cause crop prices to drop later on this calendar year with soybeans and feed grains showing the largest declines from current levels.

However, even with a boost in soybean production of around a fourth, prices could remain relatively strong—perhaps averaging \$5 to \$6 a bushel at the farm in 1977/78.

Livestock Prices To Perk Up

Livestock prices received by farmers, which have been running below a year ago so far, are expected to pick up steam as the year progresses. During the first half of 1977, livestock prices are likely to average around 5 percent below a year earlier with output up around 3 percent. However, declining livestock production in the second half will likely boost prices

above a year earlier.

July-December beef output may be down 5 to 6 percent, with hog production dropping below a year ago by the last quarter. On the other hand, more broilers, eggs, and milk will probably be produced in the second half.

Fairly strong domestic demand will help offset these larger supplies. In addition, reduced red meat supplies will help maintain broiler prices and the April 1 boost in dairy supports will keep milk prices above a year earlier. Consequently, overall prices of livestock and products may be up around a tenth from July-December 1976.

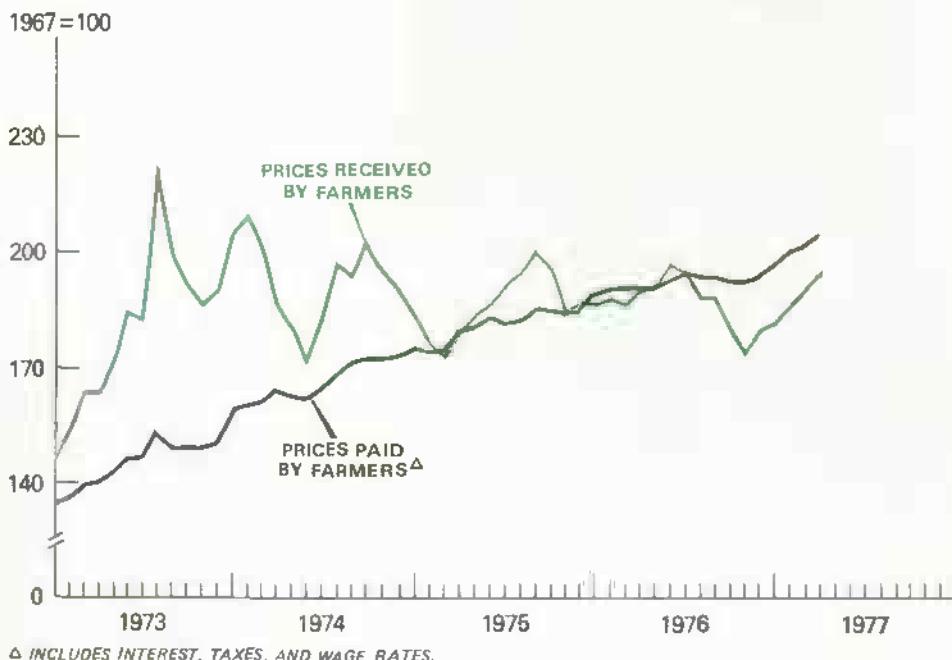
Farm Income Strengthens

Farm income strengthened considerably early this year, reflecting the rapid rise in crop prices—primarily soybeans, fresh vegetables, and cotton. On a seasonally adjusted basis, crop receipts in January-March were up sharply from late 1976, pushing total gross receipts up around 5 percent.

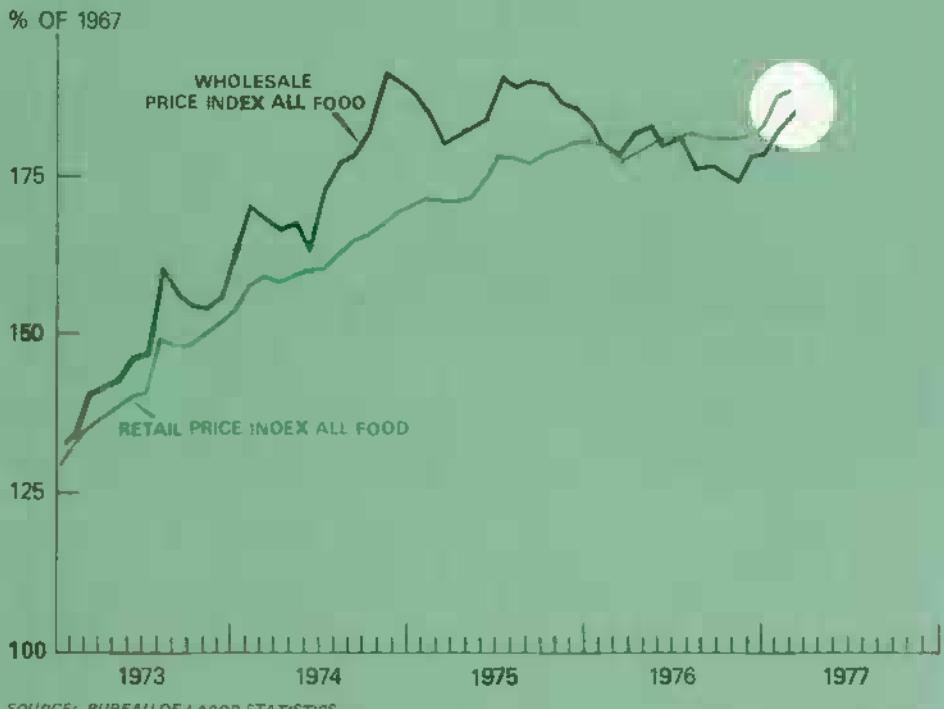
Although production expenses continued rising, realized net farm income totaled around \$23 billion at an annual rate during the first quarter, up \$3 billion from the fourth quarter of last year and a little higher than a year ago.

With relatively favorable weather during the rest of year, farmers' realized gross income for all of 1977 may be up around 3 percent from 1976's \$104 bil-

FARM PRICES RECEIVED RISING; PRICES PAID ALSO UP



RETAIL FOOD PRICE RISE SLOWS



lion. Farm prices are likely to average around 2 to 3 percent above 1976 for both crop and livestock products. Crop prices are expected to be strong early in the year and then decline as large crops are harvested. In contrast, livestock prices, lagging early in the year, are expected to continue strengthening as output of beef and pork is reduced during coming months. These developments suggest a relatively stable pattern in total gross farm income this year.

Production expenses this year may rise about 6 percent, reflecting higher prices for most nonfarm originating inputs as well as for feeder animals and manufactured feeds. This would leave realized net farm income around \$1 to \$2 billion under 1976's \$23 billion. However, with an expected buildup in farmer-owned inventories, net farm income may be close to last year's level.

Unfavorable weather resulting in sharply reduced crop output both here and abroad would point to much higher crop prices in 1977. Crop producers as a group might have near-record cash receipts. As a result, realized net income would be much higher than 1976, but around \$2 billion of the gain would come from a drawdown of previously accumulated crop inventories. Total net farm income (which includes the change in inventory levels) in 1977 would run

several billion dollars above 1976's \$22 billion under the unfavorable weather alternative.

Farm Income Dipped in Late 1976

Farm income weakened during the second half of 1976 as prices of both crop and livestock products declined in response to large supplies. Output of livestock and products continued to expand in July-December, totaling 8 percent above a year ago. Most items, except eggs, were showing sizable output gains. From midyear, livestock prices dropped a tenth to November before turning up again, and averaged around 7½ percent below a year ago during July-December.

Crop prices strengthened at mid-1976 because of stronger demand as well as weather developments and uncertainties surrounding the size of crops in the United States and abroad.

However, when it became evident another large U.S. crop was on the way, crop prices tumbled. Prices of crops dropped 13 percent from their July peak to November before edging up again late in the year.

As a result, second half cash receipts from farm marketings tailed off and net realized farm income totaled around \$20 billion (seasonally adjusted, annual rate) in the fourth quarter, compared with \$25 billion in January-June 1976.

Food Prices To Register Moderate Gains

General economic activity is picking up after this winter's weather-induced slump. Real economic growth in 1977 is likely to be modest—perhaps around 5 percent.

Further increases in output, employment, and consumer incomes are in prospect—with gains in consumer expenditures for food and fiber likely. Per capita food consumption, up a strong 3 percent last year, may show a further but smaller gain in 1977.

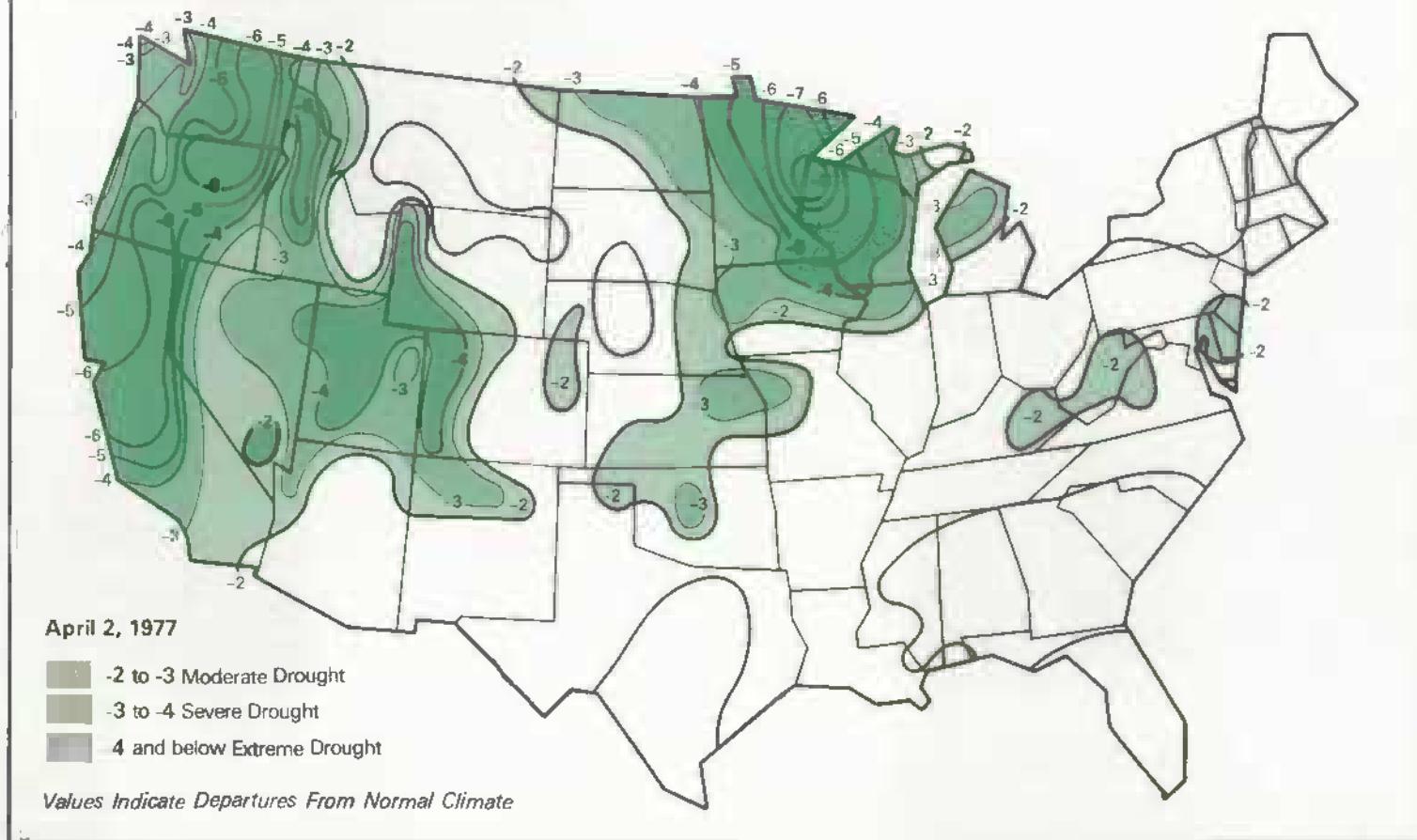
For the consumer, the upward pressure on food prices this year has been largely due to sharply higher prices for coffee and freeze damage to citrus fruits and winter vegetables. Retail food prices in the first quarter averaged 3 percent above the fourth quarter and a year earlier, a somewhat larger increase than expected earlier this year. Although weather conditions and crop prospects have improved, food prices will likely trend upward this year.

Even with favorable weather conditions, moderate price increases are in prospect in coming months for meats, dairy products, vegetable oils, processed fruits and vegetables, and possibly sugar products. Additional upward price pressure will come from coffee, cocoa, and other imported foods. As a result, grocery store prices for the year may average 4 to 6 percent above the relatively stable prices in 1976. The range reflects the uncertainty about coffee and imported foods which will account for more than half the increase.

It should also be noted that the pattern of food prices in 1977 is dramatically different from 1976 when prices held stable or moved downward during the year. In 1977 they will likely continue rising at a moderate rate. Even under relatively favorable weather conditions, retail food prices by yearend may run substantially above late 1976.

If hot, dry weather this summer were to reduce yield prospects for major crops and pastures, food price increases would likely accelerate later in 1977 and average, for the year, perhaps 6 or 7 percent above 1976. However, drought conditions would likely increase meat supplies and moderate the rise in food prices this summer. As a result, most of the impact of poor 1977 crops on retail food prices would come in 1978.

Drought Severity (Palmer Index)



Weather Update

Late April brought widespread above-normal precipitation to the central and eastern portions of the Nation from Texas and Alabama northward to South Dakota and the Northeast. However, the South Atlantic States received below normal precipitation and the West continued dry. Virtually no precipitation occurred from the Rocky Mountains to the West Coast.

In the Great Plains, growing conditions improved markedly with the above-normal precipitation from mid-April on. North Dakota and Montana were exceptions and remained dry. Precipitation during much of April was only 10 to 15 percent of normal in these two States.

Precipitation was well above normal in much of the Corn Belt during late April. Only Illinois and Indiana received less than normal.

Nationally, corn planting was ahead,

of the average pace by late April but lagged 1976's rate. Cotton planting fell behind last year and the average. The spring wheat seeding pace surpassed the average but was less than last year. Farmers planted a limited number of soybeans in southern areas. The precipitation in the Great Plains improved winter wheat conditions considerably.

However, to make a good showing in crop production this year, weather conditions will have to continue favorable. The important agricultural States in general still do not have enough subsoil moisture reserves to carry them through any kind of prolonged dry spell this summer. What we need are normal or above precipitation patterns for the rest of the season.

For corn, the single most important period for moisture is about 10 days before pollination to about 20 days after. For the western Corn Belt, this moisture period begins in middle to late July. Nationwide, corn requires the most moisture during July and August. These 2 months are also the most critical for soybeans to receive adequate moisture to

insure proper vegetative growth and seed development.

The drought situation remains extremely critical in the West. USDA's April surveys of mountain snowpack continue to indicate that summer water supplies will be severely limited throughout much of that area.

Record-low flows are predicted for most streams and rivers in the region. Snowpack accumulated in winter and spring usually provides about 70 percent of the western water supply during the year—and with a few exceptions, the snowpack is at half-normal or below throughout the Western States.

Hardest hit are California and Nevada, suffering the second year of drought conditions. In both states, reservoir storage—which normally would help offset effects of a dry year—is considered inadequate to meet needs.

Commodity Highlights (continued)

Vegetables: The indicated 14-percent smaller spring potato crop may help prices a little along with seasonal declines in shipments from storage areas...trouble is, 1976 fall crop storage stocks remain at record levels for this time of year...growers in the important fall producing areas—accounting for 85 percent of annual crop—expect to raise 4 percent fewer acres this year...suggests response to relatively low prices during winter in Pacific Northwest.

Cattle: Early April's pasture and range feed conditions for 37 States rated 66 percent, 8 points below a year ago...showers have improved things since then, and live cattle prices and cattle futures have been rising recently...overall, cattle prices should be higher in summer...meat imports subject to quota will run below trigger level in 1977 because of voluntary restraints evident so far.

Hogs: Hogs continued to trade higher through mid-April...a sharper-than-usual slump in pork supplies predicted for summer...until then, quotes on market hogs may slip back to the earlier trading range of \$35 to \$37 before beginning a sustained advance.

Poultry and Eggs: Big soybean and feed grain crops implied by planting intentions point to lower production costs for poultry and eggs and renewed profits in late 1977 and 1978...meanwhile, tight supplies and high soybean meal prices this spring and summer could keep producers in the red...even so, output could run 3 to 5 percent ahead of last year.

Tobacco: Acreage and production may slump 9 percent below 1976 due to lower farm quotas for flue-cured and burley...carryover will maintain supply...price for the 1976 crop at southern Maryland tobacco auctions averaged \$1.11 a pound through April 27, up 1½ cents from last year.

Rice: U.S. rice planting intentions under 2.2 million acres...about as expected and down from last year, but the State estimates were surprising...many thought drought would cut California acreage 40 to 50 percent from 1976 versus the 25-percent decline the April 1 report showed...also, Lou-

isiana intentions are below the State allotment...down some 10,000 acres.

Cotton: Farmers have said they'll plant 13.7 million acres in 1977, up 800,000 acres from January plans and a whopping 17 percent above 1976...most of the increase from January intentions came in Texas...also, California's plans for a fourth larger acreage remain unchanged...many economists had felt that land resource limitations in Texas along with discouraging irrigation prospects in California would lower U.S. acreage...favorable cotton prices are primarily responsible, perhaps with some stimulus from low milo prices.

In addition, smaller supplies and higher prices for beef would also contribute to higher summer food prices with more cattle placed in feedlots or held on pastures for later marketing. Although pork and broiler output will be above a year earlier, prices are also likely to strengthen as a result of reduced competition from beef, seasonally smaller supplies of pork, and seasonal increases in consumer demand for chicken during the summer.

Although large supplies of practically all other foods would limit the overall price advance, moderate price increases are likely for some items in the vegetable oils, sugar and sweets, processed fruits and vegetables, and dairy departments. These increases reflect recent raw-product price increases and higher costs for processing and distributing.

Under favorable weather conditions, average food-at-home prices likely would rise 1 or 2 percent from the first to the second quarter and an additional 2 or 3 percent during the third quarter. By fall, however, food price rises may slow again if large crops are harvested and livestock output expands in response to plentiful feed supplies.

For all of 1977, grocery store food prices are expected to average 4 to 6 percent above a year earlier with favorable weather. The average increase for all food would likely be slightly higher since away-from-home food prices are expected to rise about 6½ percent for the year. About half of the expected increase in grocery store prices would be associated with foods which are not produced on U.S. farms. Sharply higher coffee prices account for most of the nonfarm price rise, but prices for fishery products, cocoa, and other imported foods also contribute.

The retail cost of a market basket of U.S.-produced farm foods likely would average around 3 percent above a year earlier in 1977 under favorable weather conditions. Continued increases in the spread between what consumers pay and what farmers receive may account for most of the rise since returns to farmers for food products are expected to average close to year earlier levels. For the year, the cost of marketing food, as measured by the farm-retail spread, may average about 5 percent above a year earlier, considering the impact of changes in farm prices as well as inflationary



Food and Marketing

After surging upward last winter, average grocery store food prices steadied early this spring but are expected to climb further during the rest of the year. The extent and timing of the increase will depend heavily on weather conditions through the remainder of the year.

Weather Affects Food Price Rises

If weather is generally favorable, food prices are likely to rise moderately during the late spring and summer. Some of the expected increase reflects prospects for further hikes in retail coffee prices as recent increases at the wholesale level are passed to consumers.

pressures on operating costs of food marketing firms.

If widespread adverse weather problems are encountered during the main growing seasons, food prices could rise even further by yearend. Although prices likely would rise on a fairly broad front, forced liquidation of livestock could hold meat prices down through the summer. Large grain stocks from last year's harvests and, to a lesser extent, relatively large inventories of some processed fruits and vegetables would also serve as a buffer against sharp price increases.

Thus, food prices through the summer may rise only a little faster with unfavorable weather than with favorable weather. But further increases would be likely late in the year if reduced output and higher prices for livestock products were to join with higher crop prices. Under these conditions, food prices for all of 1977 would average around 6 or 7 percent above a year earlier with prospects for further sharp increases in 1978.

Higher prices for coffee and other non-U.S. farm foods would still account for nearly half of the expected increase, with prices for domestic farm foods contributing the remainder. The farm value of a market basket of U.S. farm foods for 1977 likely would average about 3 percent above a year earlier. With higher farm commodity prices and widening of marketing spreads, the retail cost of these foods would average around 4 percent above 1976.

First Quarter Wrap-Up

Retail food prices rose 0.5 percent in March, mainly reflecting considerably higher prices for coffee and chocolate products and for away-from-home food. In contrast, retail prices for foods produced on U.S. farms showed a small decline. A sharp price drop for eggs, along with a moderate decline for fresh vegetables and slightly lower meat prices, about offset increases for other major food categories. Beverage prices continued to rise, led by almost an 8-percent increase for coffee.

First quarter retail food prices averaged about 3 percent above the previous quarter due to sharp increases which occurred in January and February. Partly as a result of this increase, personal consumption expenditures for food in the first quarter of 1977 were \$207 billion, up around 8 percent from first

RETAIL FOOD PRICE CHANGES

Item	First quarter 1977 change from	
	Previous quarter	Previous year
	Pct.	Pct.
Meat	0.5	-6.8
Poultry	4.1	-5.5
Fish	1.9	10.1
Dairy	-4	1.8
Eggs	6.0	10.9
Fats and Oil	2.2	.8
Fruits and vegetables	8.2	9.4
Sugar and sweets	2.8	-2.4
Cereals and bakery products3	-4
Beverages	14.3	42.1
Food at home	3.1	3.0
Food away from home	1.9	6.5
All food	2.8	3.8

quarter 1976.

In contrast to the general trend during the past few years, prices for food at home rose at nearly twice the pace of food away from home. The 3-percent increase for food at home was largely due to sharply higher vegetable prices—partly reflecting the freeze damage in Florida last winter—and to further sharp increases in coffee prices. Retail prices for poultry and eggs as well as sugar and sweets, led by chocolate products, also registered larger than average advances for the first quarter.

Since grocery store food prices were relatively stable last year, the first quarter average was also about 3 percent

above the first quarter of 1976. With away-from-home food prices up nearly 6 percent, the all-food average was nearly 4 percent above a year earlier, considerably lower than the 6-percent increase for nonfood items.

The farm-retail spread for the market basket of farm foods averaged 2.6 percent wider than a year earlier in the first quarter of 1977. The increase in spreads about offset the 3½ percent drop in returns to farmers for these foods, leaving the retail cost of the market basket up only 0.2 percent. Marketing spreads were up sharply for dairy products, eggs, and fruits and vegetables. Partially offsetting were decreases for beef, pork, and oilseed products.

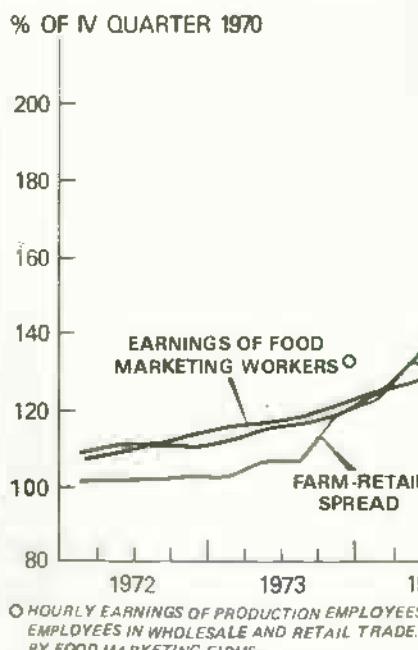
The farmer's share of the consumer's dollar spent in retail food stores for market basket foods averaged 39 cents in the first quarter compared with 38 cents in the previous quarter and 40 cents in the first quarter last year. (Larry Summers, Henry Badger, Anthony Gallo)

Marketing Spreads Continue To Widen

The spread between what consumers pay and what farmers receive for a market basket of foods from U.S. farms may continue to increase in coming months, particularly if the expected drop in hog prices is slow to be reflected in retail prices for pork.

However, later in the year, spreads

SPREADS REFLECT HIGHER INPUT PRICES AND LABOR COSTS



MARKET BASKET OF FARM FOODS¹

Period	Retail cost	Farm value	Farm-retail spread	Farmers' share
	1967=100		Percent	
1966	101.1	106.3	97.8	41
1967	100.0	100.0	100.0	39
1968	103.6	105.3	102.5	39
1969	109.1	114.8	105.5	41
1970	113.7	114.1	113.4	39
1971	115.7	114.4	116.5	38
1972	121.3	125.1	118.9	40
1973	142.3	167.2	126.5	46
1974	161.9	178.4	151.5	43
1975	173.6	187.1	165.1	42
1976 ²	175.4	178.8	173.2	40
1975				
I	168.8	173.2	166.1	40
II	170.1	182.9	161.9	42
III	177.6	200.0	163.4	44
IV	177.9	192.3	168.8	42
1976 ²				
I	176.7	183.5	172.5	40
II	175.3	183.1	170.4	41
III	176.0	179.1	174.1	39
IV	173.5	169.5	176.0	38
1977 ³				
I	177.1	177.1	177.0	39

¹ Represents all food originating on U.S. farms sold in retail food stores. The retail cost is a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products less allowance for byproducts. The farm-retail spread is the difference between retail cost and farm value. ² Preliminary.

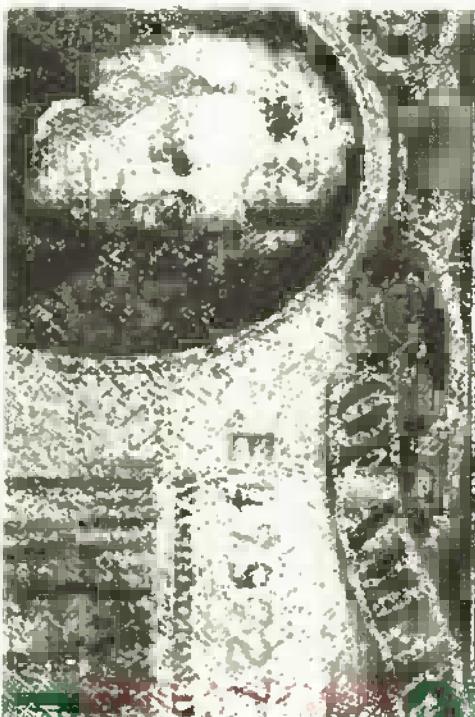
may be squeezed some if retail beef prices lag increases expected in beef cattle prices. Spreads for most other farm foods quite likely will continue to increase as the year progresses. For the year, considering changes in farm prices as well as cost pressures, farm-retail spreads for the market basket may average around 5 percent above 1976.

The spread for the farm food market basket increased 0.6 percent from the fourth quarter last year to the first quarter this year. Marketing spreads, which represent the charge for assembling, processing, transporting, and distributing farm foods, increased each month of the quarter. While wider spreads contributed to the 2.1-percent rise in retail prices for farm foods, a 4.5-percent increase in returns to farmers for these foods was the primary reason for the first quarter rise at retail.

The first quarter increase in marketing spreads for the market basket resulted from sharp increases for beef, eggs, and fresh fruits and vegetables. As a result of the Florida freeze, spreads for fresh fruits and vegetables increased about 8 percent from the previous quarter as

returns to farmers jumped 20 percent and retail prices for the group rose 12 percent. In contrast, spreads for pork and oilseed products were significantly lower while spreads for most other market basket foods changed relatively little.

Cost pressures from higher operating costs of food marketing firms appear to be building up since last year. Many of these costs have increased considerably more than farm-retail spreads. Therefore, the increase in marketing spreads during the rest of the year is likely to be at a somewhat higher rate than in the first quarter. (Henry Badger)



General Economy

The general economy continues to give mixed signals as to its underlying strength. While real growth was encouraging in the first quarter, it was primarily attributable to inventory accumulation, with final sales actually increasing more slowly than in the fourth quarter.

Inflation continued at the 5.8-percent rate registered in the fourth quarter. The unemployment rate remained at a high level but did not move sharply upward as some had expected.

After adjusting for inflation, a 5-percent gain is projected for 1977 in the Gross National Product (GNP), the economy's total output of goods and services.

The GNP advanced at a seasonally adjusted annual rate of 11.3 percent in

the first quarter. This was considerably higher than the 8.5-percent increase recorded in the fourth quarter of 1976.

After allowing for inflation, the most recent GNP increase was 5.2 percent compared with 2.6 percent for last year's final period. The more rapid rate of growth resulted primarily from a stepup in the rate of inventory accumulation.

While GNP improved, certain components were lagging. Real final sales (GNP excluding inventory adjustments) increased less in the first quarter than in the fourth. The increase in real personal consumption expenditures was concentrated in motor vehicles, with some other categories lacking strength.

This unbalanced pattern was similar for producers' durable equipment where the increase was also concentrated in motor vehicles. In addition, net exports and Government purchases registered real declines, but weather was probably an important factor.

The latest figures showed no change in the inflation picture. First quarter prices rose at a 5.8-percent annual rate, the same as in the fourth quarter. During the first 3 quarters of 1976, increases were considerably smaller.

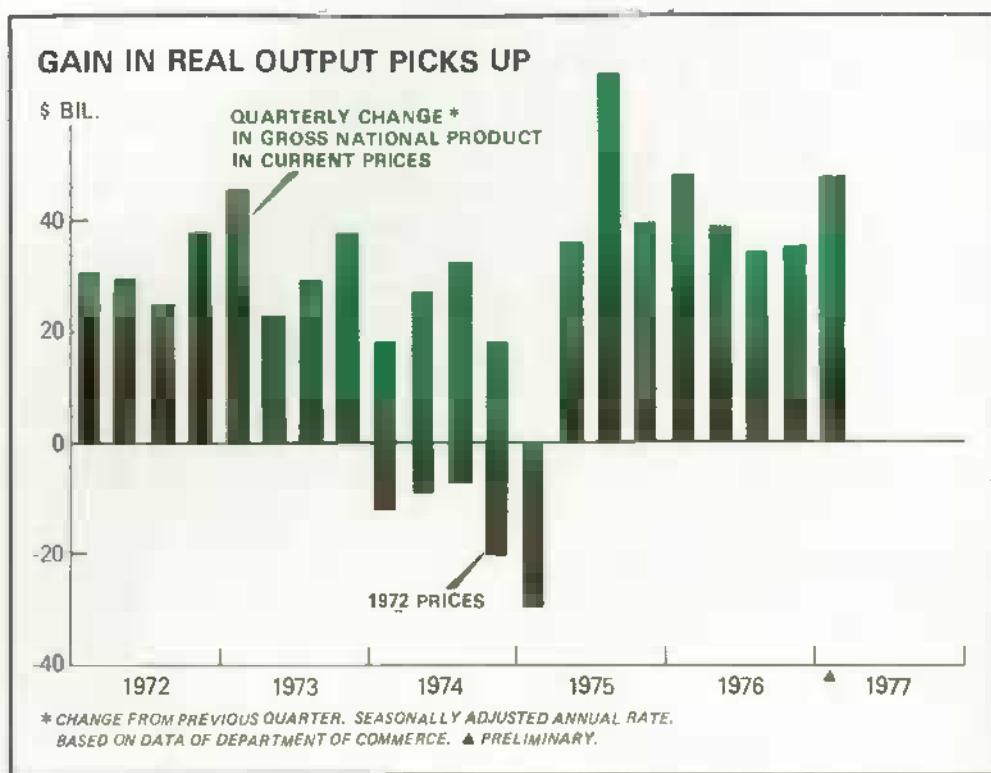
Consumer purchasing power has been adversely affected by inflation over the past year. Disposable personal income during the first quarter increased about 8½ percent over the year-ago period. After adjustment for inflation, the increase was only 3 percent.

Signals Mixed for Spring Quarter

Indications point to a larger increase in real GNP during the second quarter. The growth rate during the first quarter would undoubtedly have been higher and the inflation rate lower if the weather had been normal. The second quarter should help make up for these setbacks.

Consumer expenditures have provided the basic strength for the 2-year-old economic recovery and, according to the latest University of Michigan survey, consumers remain optimistic.

There has also been a moderate overall improvement in business confidence since last October, according to a Conference Board survey. This measure of business confidence rose to 69 percent in February from 65 percent last October. Business expects to increase capital spending by 11.7 percent in 1977, according to the Commerce Department's sur-



vey. While this would be an improvement over last year's actual increase of 6.8 percent, it would be below earlier expectations.

There are, however, two possible areas that could have depressing impacts on economic growth during the second quarter. The first concerns the consumer savings rate. Savings represented 5 percent of disposable income during the first quarter, down from 5.6 percent during the earlier period. These rates are extremely low in comparison with the long-term average of 7 percent. With such a low savings rate, there is the possibility that consumers may decide to replenish their savings at the expense of consumption.

The second area relates to the high rate of demand for motor vehicles during the first quarter. This level of demand cannot be sustained and unless it shifts to other goods and services during the second quarter, the growth rate could be adversely affected.

Most Monthly Indicators Show Strength

Most of the latest key monthly indicators characterize an economy that is rapidly picking up speed. Personal income, retail sales, consumer installment credit, and industrial production all registered near-record increases.

The composite index of leading economic indicators, a barometer of future business trends, rose 1.4 percent in March. This was the largest increase since July 1975.

The Nation's factories operated at 82 percent of capacity in March, the highest operating rate in 29 months. However, the rate was still well below the previous economic recovery's high of 88 percent reached in July 1973.

Housing starts in March increased sharply for the second month in a row. The 17-percent seasonally adjusted increase in March resulted in an annual rate of over 2 million units, the highest level in almost 4 years. In addition, March building permits—an indication of future activity—reached the second highest level on record. These developments will have a stimulating effect on the economy in the months ahead since residential construction benefits a number of related industries.

Two areas where first quarter performance continues to lag are unemployment and inflation. Although some improvement is expected in coming months, these rates will probably remain high by historical standards through 1977.

The unemployment rate declined to a seasonally adjusted 7.3 percent in March, returning to the January level after rising to 7.5 percent in February. The cold weather and natural gas shortages caused many plants to close during January and February. The average for the first quar-

ter was 7.4 percent, only slightly below the 7.6 percent in 1976's first quarter.

However, employment continued to increase. In March, the number of people employed increased by more than half a million. Over the past year, total employment has risen by 2.6 million, with two-thirds of the increase occurring since last October.

Wholesale and retail prices resumed double-digit increases during the first quarter. The indexes increased at seasonally adjusted annual rates of 10.2 and 10.0 percent, respectively. This compares with a fourth quarter increase of 7.4 percent for the Wholesale Price Index and 4.2 percent for the Consumer Price Index. Sharp price increases for fruits, vegetables, and coffee affected both indexes during the first quarter.

The March rise in the Consumer Price Index was slower than earlier this year, in part because of smaller increases in retail food prices. At the same time, wholesale price increases continued to accelerate along with the wholesale food component. (Ruth Elleson)

Which Farmers Use Future Markets?

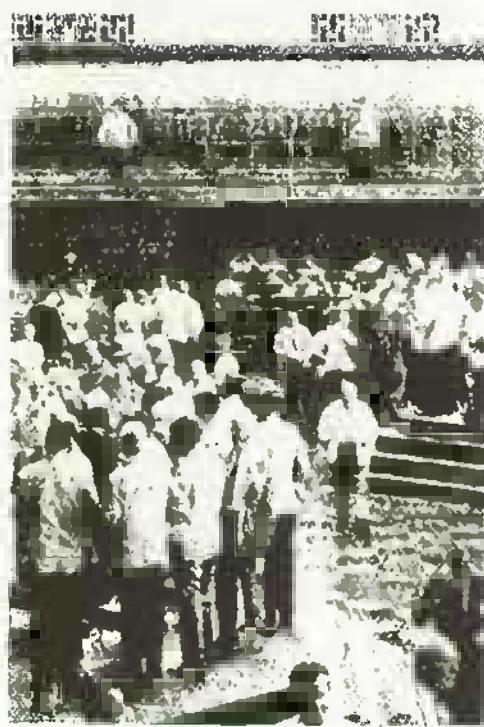
Preliminary results of a national survey show 5.6 percent of farmers with annual gross sales over \$10,000 traded on the commodities futures markets in 1976, according to the Commodity Futures Trading Commission.

The farm poll was conducted as part of the annual survey of farmers by the Statistical Reporting Service of USDA. Farms were visited by USDA enumerators between last Nov. 22 and Dec. 6.

Of farmers with sales over \$100,000, 13.1 percent traded the markets. Only 0.1 percent of farmers with annual sales under \$10,000 traded in 1976.

Of the farmers with annual sales over \$10,000 who did not trade in 1976, 30.4 percent kept track of futures market prices in some way.

Farmers who did not trade futures in 1976 were asked why. The most popular reasons given and the proportions giving each were: not acquainted with how futures markets operate, 28 percent; size of farm too small to warrant it, 20 percent; futures market too risky, 13 percent; lack of adequate capital, 10 percent.



Commodities

Total acreage planned for 1977 crops (including winter wheat seeded last fall), comes to an estimated 284 million acres, up 1 to 2 million acres from 1976. It looks like farmers will be planting nearly the same acreage to corn, a lot less to wheat, and more to cotton and soybeans.

Farmers indicated as of April 1 that they expected to plant a total of about 130 million acres to the four major feed grains (corn, sorghum, oats, and barley) in 1977, nearly equal to 1976. Corn planting intentions total just a shade under 84 million acres—virtually equal to 1976. Corn acreage might slip a little from April intentions in view of the recent runup in soybean prices relative to corn. But even so, if the weather is relatively favorable during the growing season, the corn crop could equal or moderately exceed the record 6.2-billion-bushel 1976 crop.

Wheat acreage for the 1977 crop is expected to total about 74½ million acres, 7 percent less than in 1976, based on December 1, 1976 estimated seedings of winter wheat and April 1 intentions for all spring wheat. Indicated rice acreage is down and may total about 2.2 million acres, 14 percent less than 1976 plantings and 13 percent less than the 1975 record of 2.8 million.

Producers plan to plant about 56 million acres of soybeans this year, up more

than a tenth from 1976 and a greater increase than the 6-percent gain reported in January. However, farmers may boost plantings even more than the April intentions indicate because of stronger soybean prices since then.

Cotton producers indicated plans to plant 13.7 million acres in 1977, up 800,000 acres from January. Most of the increase occurred in Texas where it was felt land resource limitations would lower acreage. Also, California still plans to increase cotton acreage a fourth from 1976 despite reduced irrigation prospects. Favorable cotton prices are primarily responsible for the jump in acreage in both Texas and California. If these plans are carried out, 1977 U.S. acreage will be 17 percent above 1976.

Feed Grain Stocks Larger Than Expected

With the odds at this time pointing to generally favorable weather, feed grain production in 1977 could exceed last year's record of 212 million short tons by about 5 percent, with corn production reaching around 6.5 billion bushels. Domestic feeding would increase from 1976/77 because of expected strengthening of livestock prices and lower feed costs that would lead to heavier feeding rates per animal.

With generally favorable weather, the European Community's coarse grain production would be larger than last year's drought-reduced output and there would be good crops in the rest of the world. This would lead to a decline in 1977/78 corn exports of about a fifth from this year. Prices of corn at the farm in 1977/78 likely would average near the loan rate of \$1.75 a bushel, and carryover would be up sharply.

But the 1977 crop harvests here and abroad are still months away, and if growing weather should turn unfavorable, U.S. feed grain production might run well below last year's record output. Reduced crops in the rest of the world would hold U.S. exports near the record highs of 1975/76 and 1976/77.

Under these circumstances, grain prices would advance as the poor crop prospects became evident, and domestic feeding would drop moderately below 1976/77. Carryout stocks in 1977/78 would be below those expected for 1976/77. Prices of corn at the farm likely would average in the range of \$2.25 to \$2.75 per bushel.

Feed grain disappearance—domestic use and exports—in 1976/77 has not matched earlier expectations and will probably end up trailing 1975/76's 202 million short tons. April 1 stocks of feed

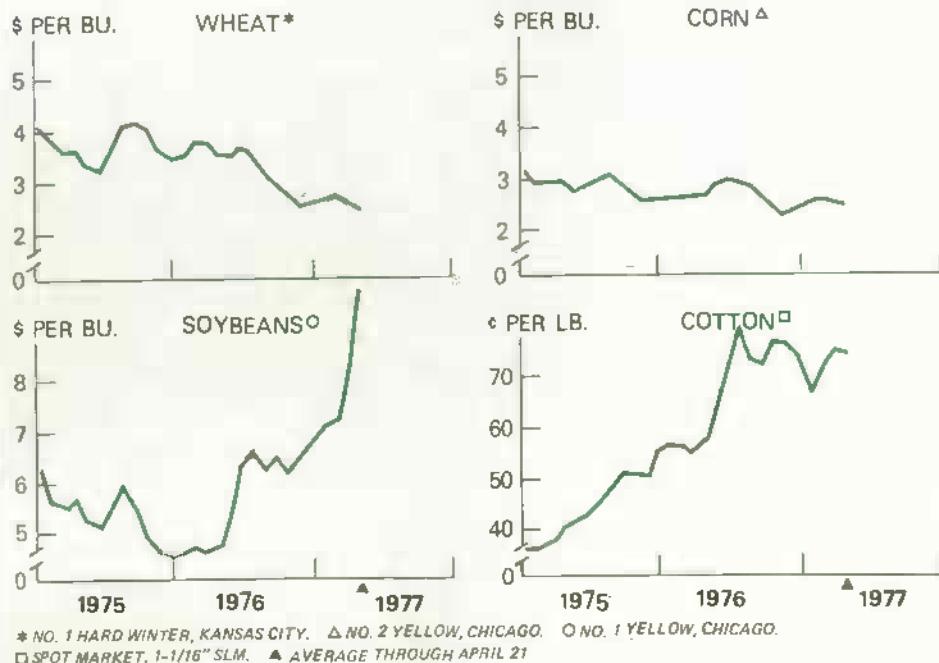
PROSPECTIVE PLANTINGS OF MAJOR CROPS

Crop	1974	1975	1976	Indicated 1977 ¹		Change 1976 to 1977
				Jan. 1	Apr. 1	
				Million acres		
Corn	77.8	78.2	84.1	84.5	83.9	-0.2
Sorghum	17.7	18.3	18.6	17.1	16.5	-11.5
Oats	18.0	17.4	17.5	17.8	18.2	+3.5
Barley	9.0	9.5	9.3	10.7	11.0	+18.1
Feed grains	122.4	123.4	129.6	130.2	129.6	0
Winter wheat ²	52.4	56.2	57.7	55.8	55.8	-3.2
Durum wheat	4.2	4.8	4.7	2.9	3.3	-31.0
Other spring wheat	14.8	14.1	17.8	16.0	15.3	-14.0
Total wheat	71.4	75.1	80.2	74.7	74.4	-7.3
Rice	2.6	2.8	2.5	2.3	2.2	-13.9
Soybeans	53.5	54.7	50.3	53.1	55.7	+10.6
Cotton	13.7	9.5	11.7	12.8	13.7	+17.2
Flaxseed	1.8	1.6	1.0	1.6	1.6	+54.4
Peanuts	1.5	1.5	1.5	(³)	1.5	0
Tobacco ⁴	1.0	1.1	1.0	(³)	.9	9.1
Sugarbeets	1.3	1.6	1.5	1.4	1.3	-12.2
Dry edible beans	1.6	1.5	1.5	(³)	1.5	-4.1
Potatoes	1.4	1.3	1.4	(³)	1.3	-4.3
Total ⁵	272.4	274.5	282.7	—	284.0	+.5
Hay ⁶	60.6	61.7	60.9	(³)	61.6	+1.1
Total	333.0	336.2	343.6	—	345.6	+.6

¹Planting intentions. ²Plantings as of December 1 of previous year for crop to be harvested in year listed.

³Not reported. ⁴Harvested acreage. ⁵Includes dry edible peas and sweetpotatoes.

SOYBEAN PRICES JUMP; OTHER CROPS EDGE OFF



grains were larger than anticipated, suggesting that the generally thin feeding margins are contributing to reduced feeding rates.

Consequently, estimates of 1976/77 feed use for each of the feed grains have been revised downward which raises the prospective carryover to about 32 million short tons, up from 19 million last fall. Corn feeding for the year is now forecast at 3.6 billion bushels, just a little above last year's volume. (George R. Rockwell)

Wheat Supplies To Continue Large

With good moisture continuing to fall over much of the U.S. winter wheat area (except the Pacific Northwest), it appears we are headed for another big wheat crop in 1977, a further buildup in stocks in 1977/78, and continued pressure on prices.

With favorable weather, the U.S. wheat crop is projected at 2.0 billion bushels. However, with another good world harvest, U.S. exports would decline from levels of the past 4 years. Feeding would be heavier, particularly this summer. But utilization would still lag behind production and carryover would increase again. Thus, prices would continue under pressure, hovering near the loan rate.

With unfavorable weather, the U.S. wheat crop is projected at about 1.7 billion bushels. But poor world crops would boost U.S. exports. Stocks would be reduced for the first time in 4 years, falling about 30 percent. The season average farm price would likely average \$2.75 to \$3.25 a bushel. (George R. Rockwell, Jr.).

Soybean Prices Strong

With the big increase slated for 1977 soybean plantings and the general improvement in rainfall in major soybean producing areas during April, early

Wind Erosion Increasing

Nearly 2.9 million acres were damaged by wind erosion in the Great Plains during March, and a total of 6.8 million acres has been damaged there in the past 5 months. Colorado was the hardest hit last winter, with 2½ million acres damaged compared with a little over half a million this time last year. Other States reporting more erosion than last year were Texas, North Dakota, South Dakota, and New Mexico. Nearly 80 percent of the damage was to cropland. More than 17 million additional acres in the Great Plains still are dry or unprotected, and soil erosion would result from prolonged high winds. Emergency tillage to prevent damage was reported in every Plains State, totaling more than 3.5 million acres.

odds favor a sizable gain—almost 30 percent—in the soybean crop. With continued good weather, the 1977 outturn may total near 1.6 billion bushels. With a relatively large crop, the tight soybean supply situation would ease somewhat in 1977/78.

Prices for soybeans spurted dramatically in April, breaking the \$10-a-bushel level at Chicago in mid-April. Prices edged down in late April, but further rises are likely. The price strength was a reflection of dwindling stocks and continuing strong domestic and export demand—and prices over the rest of the season will be highly sensitive to any news regarding demand and developments in the 1977 soybean crop.

For the entire season, prices received by farmers are expected to average around \$7 to \$8 per bushel, a record high and about \$2 to \$3 above 1975/76.

The strong demand for soybean meal, both domestically and abroad, is a major factor behind the heavy soybean disappearance. However, the heavy disappearance during the first half of the season cannot be sustained because of tightening supplies.

Crushings and exports over the rest of the marketing year will need to decline significantly because of the small supplies available. Total soybean use for the season is estimated at 1.45 billion bushels, about 3 percent below last year but about 180 million more than the 1976 soybean crop.

By next September 1, soybean stocks are expected to be drawn down to minimum operating levels—around 65 million bushels or about a 2 weeks' supply compared with 245 million on September 1, 1976. (Stanley Gazelle)

Cotton Demand Strong; Growers Boost Intentions

Cotton carryover on August 1, 1977, may be around 2.8 million bales, the smallest since 1952. This extremely tight supply situation will be particularly damaging to early 1977/78 mill use.

However, with larger cotton supplies in prospect for 1977/78, cotton use could bounce back later in the season. For 1977/78 as a whole, U.S. mill use may total 6½ to 7½ million bales, compared with the current season's anticipated 6¾ million.

The U.S. cotton export outlook con-

LIVESTOCK AND PRODUCTS OUTPUT

Commodity	Annual	1976				Annual	1977			
		I	II	III	IV		I	II ¹	III ²	IV ¹
Beef (mil. lb.)	23,673	6,491	6,143	6,617	6,411	25,662	6,400	6,150	6,200	6,100
Change (pct.) ²	+4	+11	+10	+11	+2	+8	-1	0	-6	-5
Pork (mil. lb.)	11,314	2,895	2,782	2,953	3,590	12,220	3,265	3,300	3,100	3,550
Change (pct.) ²	-17	-5	-5	+18	+27	+8	+13	+19	+5	-1
Veal (mil. lb.)	827	206	178	205	224	813	220	165	150	-
Change (pct.) ²	+87	+24	-2	-12	-9	-2	+7	-7	-27	-
Lamb and mutton (mil. lb.)	399	95	81	93	92	361	88	82	84	-
Change (pct.) ²	-12	-6	-16	-11	-6	-10	-7	+1	-10	-
Red meats (mil. lb.)	36,213	9,687	9,184	9,868	10,317	39,056	9,973	9,697	9,534	-
Change (pct.) ²	-3	+6	+4	+12	+9	+8	+3	+6	-3	-
Broilers (mil. lb.)	7,966	2,116	2,314	2,372	2,185	8,987	2,175	2,430	2,450	2,290
Change (pct.) ²	+1	+15	+12	+14	+10	+13	+3	+5	+3	+5
Turkeys (mil. lb.)	1,715	207	369	710	664	1,950	210	385	690	-
Change (pct.) ²	-7	+24	+28	+14	+5	+14	+1	+4	-3	-
Total meats (mil. lb.)	45,894	12,010	11,867	12,950	13,166	49,993	12,358	12,512	12,674	-
Change (pct.) ²	-4	+8	+7	+13	+9	+9	+3	+5	-2	-
Eggs (mil. doz.)	5,362	1,358	1,344	1,342	1,360	5,404	1,330	1,360	1,365	1,380
Change (pct.) ²	-2	+1	+1	0	0	+1	-2	+1	+1.5	+1.5
Milk (bil. lb.)	115.3	29.2	32.4	30.2	28.6	120.4	29.8	33.3	30.6	29.1
Change (pct.) ²	-3	+3.9	+3.5	+5.6	+4.4	+4.4	+2.0	+2.8	+1.3	+1.7
Total livestock and products (1974=100)	98.7	101.8	104.4	107.9	107.0	105.3	103.7	108.4	106.8	-
Change (pct.) ²	-1.3	+6.3	+5.2	+9.1	+6.2	+6.7	+1.9	+3.8	-1.0	-

¹ Forecast. ² Change from year-earlier.

tinues favorable. Even though production abroad next season may increase around 4 million bales or so, foreign consumption may exceed output by about 4 million. This relatively large supply-demand imbalance points to another sizable foreign market for U.S. cotton in 1977/78, perhaps in the range of 4 to 5 million bales. Shipments during the current season are expected to total around 4.9 million bales, slightly above earlier indications.

This season's sharp drawdown in U.S. cotton stocks has exerted increasing pressure on prices. Most spot market prices have trended up since last August 1 and are nearly 20 cents above last April. Farm prices also are up sharply, averaging 67 cents in March, a fourth above a year ago.

As usual, yields will be a critical factor in determining the size of the 1977 cotton crop. And as usual, the yield outlook for next season is very uncertain, particularly with the drought in California. Assuming farmers follow through on their April intentions and abandonment is about normal, production could

easily exceed 1976's 10.6 million bales. If the yield turned out to be near last season's 465 pounds per harvested acre, production would total around 12 to 12½ million bales.

The recently announced ban on children's sleepwear treated with the flame-retarding chemical Tris has created turmoil in the U.S. textile industry. As a result of this ban and the recall from retail store shelves, the availability of children's nightwear will be severely restricted in coming months. And prices of children's pajamas and nightgowns will be higher. No cotton garments are involved in the ban. Cotton now has less than a tenth of this market, down from 66 percent in 1972 when no flame retardant regulations existed. (Russell Barlowe)

Livestock Output Still Large; Could Drop in Second Half

Production of livestock and livestock products continued above a year earlier in the first part of 1977. First quarter output was up around 2 percent and the spring quarter may show an even stronger gain.

Although production could turn below record year-earlier levels in the

second half, it would still remain relatively large compared with most previous years. And except for beef, production of most other major meats will continue above a year ago, although at a slower pace than during the July 1976-June 1977 period.

Livestock prices received by farmers are expected to average around 5 percent below a year ago in the first half of 1977, as larger supplies have depressed prices of livestock products. Tighter second half supplies of meat and other livestock products could strengthen prices in the last half of 1977 both seasonally and relative to a year earlier.

Hog Cycle Continues Up Phase

Hog production continued above a year ago during early 1977, although poor feed conversion last winter considerably altered the timing of marketings and slaughter. Some delays in hog marketings are likely to cause a seasonally larger slaughter this spring, pushing second quarter output up around a fifth from a year ago.

LIVESTOCK AND PRODUCTS PRICES

Commodity	1975		1976					1977			
	Annual		I	II	III	IV	Annual	I	II ¹	III ¹	IV ¹
Choice steers, Omaha (\$ per cwt.)	44.61	38.71	41.42	37.30	39.00	39.11	37.88	39.41	42.44	43.45	
Barrows and gilts, 7-markets (\$ per cwt.)	48.32	47.99	49.19	43.88	34.25	43.11	39.08	36.38	39.41	36.38	
Slaughter lambs, choice, San Angelo (\$ per cwt.)	44.45	51.50	58.63	43.54	45.81	49.87	52.98	54.56	47.49	—	
Broilers, 9-city wholesale (cts. per lb.) ²	45.1	42.2	41.7	41.5	35.5	40.2	40.9	39.41	42.44	39.41	
Turkeys, N.Y., wholesale (cts. per lb.) ³	53.2	49.5	48.2	48.5	48.9	48.8	50.2	51.53	52.54	—	
Eggs, Grade A large, N.Y. (cts. per doz.)	57.8	61.9	57.6	66.9	73.6	65.0	69.4	57.59	61.63	65.67	
Milk, all at farm, (\$ per cwt.)	8.78	9.90	9.24	9.68	9.92	9.68	9.54	9.60-9.75	9.90-10.10	10.30-10.50	
Livestock prices received by farmers (1967=100)	172	181	185	175	165	177	172	175	190	188	

¹ Forecast. ²Weighted average. ³8-16 pound young hens.

Slaughter hog prices have eased following early season strength when severe weather delayed marketings and depressed feeding gains. Prices in late April were running \$37-\$39 per cwt. (barrows and gilts at Omaha), down around \$10 from a year earlier. Hog prices likely were at their yearly low during early spring—reflecting the seasonal boost in pork output—and will probably average in the upper \$30 range during the second quarter.

Cyclical expansion in hog numbers is likely to continue through 1977, although the rate of gain is likely to fall off. The larger winter quarter crop assures year-to-year gains in pork production through summer—perhaps 5 to 6 percent more. However, that will represent a considerable slowing in gains relative to the July 1976-June 1977 period when output is likely to be up almost a fifth from the previous year.

Producers have indicated plans to boost farrowings only around 3 percent in March-May which will be reflected in hog marketings during the last quarter of 1977. As a result, October-December output could run below the unusually large year-earlier level.

Given the more modest increase in pork output in prospect for the second half, hog prices may hold close to July-December 1976's \$39 per cwt. average. And by fall, prices could have moved above a year-earlier.

Beef Output To Trail 1976

Beef production early this year continued large, although a little below year-earlier levels. Marketings of cattle out of feedlots are likely to total a little higher through the first half, reflecting the boost in placements last fall. However, fed marketings could drop 2 to 4 percent below a year earlier this summer. Producers reduced feedlot placements early this year in response to the continued squeeze on feeding margins. Also, around a tenth fewer nonfed cattle and cows than a year ago moved to slaughter in the first quarter, a drop that will likely be even sharper this summer if pastures are in good condition. As a result, second half beef production is expected to drop well below record year-ago levels. Output for all of 1977 could well total around 25 billion pounds, around 3 percent below last year but still the second largest annual total on record.

Large beef, pork, and broiler supplies held fed cattle prices relatively steady early this year, but prices have risen during April with Choice steers at Omaha about \$43 per cwt. in late April. A seasonal decline in beef output this spring, along with an improving economy, is boosting second quarter cattle prices.

Second half prospects appear brighter for cattlemen as beef output will likely drop well below year-ago levels and cattle prices should be on the rise. Weather conditions will play an important role in these developments.

An important factor affecting the supply and price pattern for cattle over the next several months is the disposition of the large supply of 500-pound-and-over steers and heifers outside feedlots. These yearlings could either go into feedlots, move to slaughter this spring, or remain

on pastures and ranges to graze for a few more months. Cattle prices, feed prices, and weather conditions will largely determine which alternative is chosen.

Placements of cattle on feed are likely to rise above a year ago during the second quarter. There is a large supply of feeder cattle available for placement and with a little better feeding margin, feeding could become more attractive. With an orderly movement of cattle over the next few months and if the prospects for a large feed grain crop materialize, cattle feeding could be strong this summer. Placements would likely pick up during the summer as cattle feeders would begin to show a profit for the first time since 1975. (Eldon Ball)

Broiler Output Continues High

Broiler production continues to run at record levels with first quarter output up around 2 percent from a year earlier—less than had been expected because of cold weather death losses. Chick placements for the second quarter indicate spring marketings will be up 5 percent.

The record-high output should continue, but the increase over 1976 may narrow this summer because of high soybean meal prices. However, third quarter output would still be slightly larger than in the second quarter.

Broiler prices have been stronger than expected because of weather-related disruptions in production and marketing and higher-than-expected pork prices. Broiler prices (9-city wholesale) are likely to average around 40 cents a pound during April-June before moving up into the low 40's this summer. Thus, retail prices

for frying chicken may average a little below a year earlier this spring, but a little higher in the summer.

Prices are expected to decline seasonally this fall, but easing supplies of red meats and increased consumer purchasing power probably will hold broiler prices near 40 cents. (William Cathcart)

Egg Numbers on the Rise

Egg production during the winter lagged a year ago as cold weather reduced layer numbers and output per hen. Although layer numbers were down slightly, egg production on April 1 was back up to year-earlier levels as the rate of lay rebounded. Layer numbers likely will gain in coming months with more replacement pullets available. This, combined with a record rate of lay, is expected to gradually increase egg output throughout the balance of 1977. So output this spring and summer may be up 1 to 2 percent.

Egg prices likely will increase seasonally during the second half of 1977. But gains in output probably will hold second half egg prices well below a year earlier. (William Cathcart)

Wool Price Outlook Favorable

Prices for some grades of wool in U.S. primary markets have eased at relatively high levels as the 1977 spring clip is being purchased. Some experts feel that relatively strong wool prices will continue due to relatively tight world supplies, indications of continued strong demand, and price supporting marketing plans in Australia, New Zealand, and South Africa—all major international wool exporters.

Wool prices in recent months have advanced in relation to manmade fibers and further substitution of manmade fibers for wool may occur in 1977, decreasing wool consumption at mills. While U.S. mills are running well and reporting good order books, mill consumption of wool has trailed, generally by 4 to 6 percent, year-earlier levels each month since July 1976.

In 1976, U.S. mill consumption of apparel grade raw wool, scoured basis, was 106.6 million pounds, about 13 percent above 1975 and the most since pre-recession 1973. Carpet grade mill consumption in 1976 was 15.1 million clean pounds, 5 percent below 1975.

The average U.S. farm price in March 1977 for shorn greasy wool was 75.6 cents per pound, an increase of 43 percent over a year earlier. The 1976 season weighted average price for greasy wool was 65.7 cents per pound compared with 44.7 cents in 1975. Payments under the incentive (support) price program increased average farm prices to 72 cents per pound in both years. (Albert Evans)

Tobacco Acreage Down, Support Prices Up

A smaller crop than last season is expected, according to farmers' April 1 intentions. Despite the smaller crop, the 7-percent increase in tobacco support levels provides the basis for maintaining income for tobacco growers.

Growers intend to set 948 million acres—9 percent below the 1976 harvested acreage. During the past 5 years, grower intentions averaged about the same as the harvested acreage. With average growing conditions, the prospective tobacco acreage indicates a crop of around 1.9 billion pounds, about 9 percent less than last year. But with the larger carryover, the tobacco supply could remain close to that in 1976/77.

Southern Maryland tobacco markets for the 1976 crop opened April 13. Early prices were up from a year ago. The 1976 crop was 8 million pounds larger than the 20-million-pound 1975 crop.

USDA has proposed some changes in the marketing quota and price support regulations for flue-cured tobacco to prevent alleged quota and lease abuse. Leases filed after June 14 would be disapproved if the quantity stipulated in the lease exceeds the difference between expected production on the planted acreage and actual production on those acres. Under the second proposed change, a farm would be ineligible for price support if its certified acreage planted to flue-cured exceeds 107 percent of the farm allotment. (Richard Hall)

Fresh Vegetables Register Comeback

Spring fresh vegetable acreage is estimated up 2 percent from last year, suggesting that there will be generous spring supplies of several of the more tender vegetables. This was in contrast to winter vegetable supplies which were sharply curtailed by the winter freeze. Some replanting, in addition to the usual spring acreage of tomatoes, snap beans, and cucumbers, is providing the potential for larger supplies of these crops this

spring. Lower prices and a substantially reduced index of fresh vegetable prices are expected before July 1.

The prospective contract acreage of eight major processing vegetables is fractionally smaller than a year ago. There are plans to increase the acreage of major freezing vegetables by 8 percent, but a 3-percent cut in canning vegetables is expected.

Contracted acreage of canning tomatoes is down by 2 percent nationally, but the important contract California tomato acreage is only 1 percent smaller than last year. Average yields from this acreage would imply larger raw tomato tonnage this year.

Of the other major canning vegetables, contracted acreage is up 6 percent for snap beans. But 7 percent less acreage has been contracted for both sweet corn and peas. With canners' stocks of peas even larger than the heavy supply on hand last year, a larger acreage reduction would find favor with the industry.

Of the major freezing vegetables, contracted acreage is up 31 percent for snap beans and 25 percent for green lima beans. The acreage of peas for freezing is up by 3 percent but that of sweet corn remains at last year's levels.

The U.S. potato industry has already made some acreage cuts in 1977, and more are in the making if growers carry out their present intentions. The important fall crop now appears to be 4 percent less, implying a generous crop in the 285-290 million cwt. range if yields are close to average.

Except for cannery peas, these prospective changes in processing acreage relate closely to current market supply and demand conditions. Even though water supplies in important western producing areas are not up to normal, California growers are holding processing acreage about the same as last year.

The U.S. vegetable industry is gradually returning to a more usual national supply pattern. Because the Florida freeze last January destroyed large quantities of several tender vegetables, the only major volume of market supplies available during much of February and all of March came from Mexico. Although imports from Mexico have been running heavier than last year, total supplies of tomatoes, cucumbers, peppers, and eggplant have been limited, with prices establishing record highs during February and March. (Charles Porter and Joseph Podany)



Policy Developments

In late April, the Administration increased its income support (target price) proposals for the new farm bill in order to gain stronger legislative backing. The new income support levels proposed for the 1978 crops are: wheat, \$2.90 per bushel; corn, \$2.00; sorghum, \$2.00; barley, \$1.70; rice, \$7.20 per hundredweight; and cotton, 50 cents per pound.

Loan rate proposals made in March and listed in last month's issue remain the same. The Secretary of Agriculture emphasized that the Administration supports the use of planted acreage as a base for determining income support payments and abolishment of the historical allotments.

The Secretary also stated that the estimated \$2 billion total cost of the new program proposal was "dangerously close to the Administration's spending limit" and that a program with higher costs would risk a Presidential veto.

TARGET PRICES

Crop	1976	1977
Wheat (\$/bu.)	2.29	2.47
Corn (\$/bu.)	1.57	1.70
Sorghum (\$/bu.)	1.49	1.62
Barley (\$/bu.)	1.28	1.39
Upland cotton (cts./lb.)	43.2	47.8

Earlier in the month the Secretary of Agriculture announced several program changes designed to increase producers' marketing flexibility and improve crop prices. Among the changes were:

- A farmer-owned food grain reserve for the 1976 wheat and rice crops.
- Increased price-support loan rates for the 1977 feed grain and soybean crops.
- Reduction of interest rates—effective April 1, 1977—on commodity loans from 7.5 to 6 percent.
- Increased amounts and broadened coverage for farm storage and drying equipment loans, and reduced down-payment provisions.

The changes in the facility loan program were aimed at encouraging expansion of on-farm storage and drying capacity as the foundation for a food grain reserve program.

The reserve program, in turn, was aimed at three other objectives:

- Insulating excess wheat and rice stocks from the marketplace.
- Keeping the stocks in the hands of farmers.
- Holding these stocks in readiness to meet U.S. consumer needs as well as export needs in the future.

Food Grain Reserve Launched

With the rapid buildup in wheat and rice stocks, farmer-owned food grain reserves are being encouraged through a 3-year extension of loans for 1976-crop wheat and rice.

The Commodity Credit Corporation (CCC) will pay annual storage in advance to the farmers participating in the reseal program. Storage rates will be 20 cents per bushel per year for wheat and 65 cents per hundredweight per year for rice. Farmers will be responsible for prepayment of storage to warehousemen for the extended period.

Farmers will be permitted to repay the loan, sell the commodity, and retain earned storage under the extended loan program when the national average market price reaches 140 percent of the current national loan rate for wheat or rice, or when the contract expires. Farmers will be notified when the 140-percent level is reached.

Storage credit will end when the 140-percent market price level is reached.

The loan repayment total will be the loan principal, plus interest, plus unearned prepaid storage, either on-farm or in warehouse.

If the contract is broken by a farmer selling the commodity before the market price reaches the 140-percent level, the repayment will also include all storage payments made, plus interest.

USDA will call in all loans when the market price reaches 175 percent of the current national loan rate. If a loan is not repaid within 30 days after the call, all storage payments made, plus interest, will be added to the loan indebtedness.

All current wheat and rice support loans are eligible for this program, but a ceiling on the total quantity of wheat and rice under the extended reseal program will be imposed in the future.

Interest Rates Lowered on Commodity Loans

Effective April 1, the yearly rate on outstanding 1974-76 crop commodity loans was reduced from 7.5 percent to 6 percent. Loans for all 1977-crop commodities are now subject to a 6-percent interest rate for the regular loan period.

Feed Grain and Soybean Loan Rates Raised

Loan rates for 1977-crop feed grains and soybeans were increased over those announced in October 1976. The wheat and cotton loan rates remained unchanged at \$2.25 and 42.6 cents a pound, respectively.

According to the Secretary of Agriculture, the change in the loan rates was made to prevent a sharp decline in farm prices and income if favorable weather occurs for crop production this summer. Although the wheat loan rate remained at \$2.25 per bushel, wheat will have target price protection at \$2.47 per bushel. The new feed grain loan rates will be above the 1977 target prices of \$1.70 per bushel for corn, \$1.62 for grain sorghum, and \$1.39 for barley.

LOAN RATES

Crop	1975	1976	1977
Wheat (\$/bu.)	1.37	2.25	2.25
Corn (\$/bu.)	1.10	1.50	1.75
Sorghum (\$/bu.)	1.05	1.43	1.70
Barley (\$/bu.)	.90	1.22	1.50
Oats (\$/bu.)	.54	.72	1.00
Rye (\$/bu.)	.89	1.20	1.50
Soybeans (\$/bu.)	—	2.50	3.50
Upland cotton (cts./lb.)	34.27	37.12	42.58

Farm Facility Loans Expanded

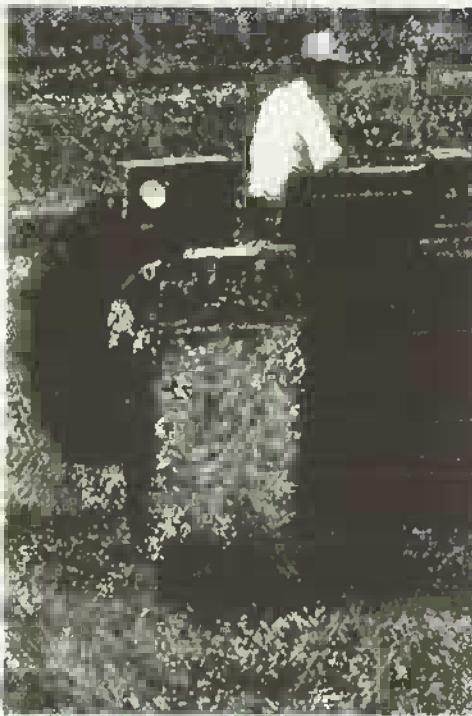
The maximum loan amount for construction of farm storage and drying facilities will be raised from \$25,000 to \$50,000, including concrete and wiring costs, and will be based on storage for 2-years' production instead of 1. The 30-percent downpayment requirement has been lowered to 15 percent and the interest rates reduced from 7.5 to 7 percent. The new 7-percent interest rate will not change during the life of the loan. Previously, interest rates on these loans were adjusted every 6 months.

New Dairy Proposals

Under provisions of the Agricultural Act of 1949, milk must be supported at a level, between 75 and 90 percent of parity, that the Secretary of Agriculture deems necessary to assure an adequate supply of milk, to reflect changes in the cost of production, and to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs.

The Agriculture Act of 1973 temporarily raised the minimum support to 80 percent of parity through March 31, 1975. Since then, dairy price supports have been set at about 80 percent of parity at the beginning of each marketing year and readjusted to that level after 6 months. However, the lastest increase, effective April 1, 1977, moved the support for manufacturing milk to \$9 per 100 pounds, or 82.3 percent of parity.

In late April, the agriculture committees of both the House of Representatives and the Senate, with the concurrence of the Secretary of Agriculture, voted to include identical language in the dairy price support portions of their versions of the general farm bill now under consideration. These provisions would raise the minimum support level to 80 percent of parity through March 31, 1979, and require quarterly reviews and semiannual adjustments through March 31, 1981. (Cecil Davison)



Inputs

As the haying season gets underway, supplies of baler wire and twine appear adequate for the 1977 crop. Imports of baler twine, which represent 80 percent of total use, are sharply above last season's low level and domestic production of wire is expanding. Although carryover stocks of twine and wire are down from year-ago high levels, they are generally considered normal or above. Demand for baler twine and wire was down last year because of the reduced U.S. hay crop.

Domestic baler wire production and shipments appear to be improving, but domestic twine production and shipments are not.

More fiber producing countries are now manufacturing baler twine. And with the cost of imported sisal and henequen fiber about the same as manufactured baler twine from these producing countries, there is little economic incentive to produce twine domestically. Much of the greatly expanded plastic twine capacity built in the United States in 1975 and early 1976 is now idle as imported natural fiber twine has fallen in price and become very price competitive.

Twine Demand Outlook Uncertain

Demand for baler wire and twine in 1977 is uncertain because of the "iffy" nature of hay production this year. On April 1, farmers indicated that they expect to harvest 61.6 million acres of hay, 1 percent more than in 1976. How-

ever, many parts of the Central and Western States have low soil moisture and, in California, hay producers face curtailments of irrigation water.

Farmers are expected to try to replenish hay stocks which were already down sharply at the beginning of the year due to the extremely cold January and February temperatures in the Central and Eastern states. The consequent climb in hay prices has provided added incentive for boosting the hay crop and baling more marginal forage crops than usual, including straw from small grain crops.

Demand for Baling Materials Slack

Current demand for twine and wire is slow as retailers and dealers are reluctant to accumulate large inventories, particularly with the current low marketing margins and last year's problem of selling expensive inventories after retail prices declined.

Also, a possible contributor to the current slow twine and wire movement is above normal winter sales to farmers. Some preseason discounts on wire and twine were made to clear out carryover stocks.

The trend toward big roll balers and "loose" hay handling equipment, which reduces farm twine and wire requirements, appears to be slowing, at least for now. Higher hay prices and adequate supplies of less expensive baler twine and wire may be dampening some farmers' enthusiasm. It is generally agreed that there is greater harvesting loss and increased spoilage in the field associated with the big roll balers, even though less twine and labor are generally required. Smaller square bales provide more market flexibility for hay.

Lower Twine and Wire Prices Of 1976 Expected To Continue

After the sharp drop in 1976, retail prices of twine and wire have been relatively stable over the last year. Natural fiber twine, down about \$2 from last summer, is now about \$10 to \$13 per 40-pound bale, and plastic twine is about a \$1 a bale higher than natural fiber twine.

Baler wire prices are about \$20 to \$24 per 100-pound box, about the same as last year (although preseason prices were \$1 to \$2 a box lower). Both twine and wire prices have dropped sharply from 2

years ago when both were selling around \$30 to \$35.

If plastic twine prices continue substantially below wire, greater demand could develop for plastic twine in the years ahead in Western States, where both are more frequently used.

If hay yields are normal or below this season, baler wire and twine prices are not expected to increase from current levels. However, if hay yields are above normal, twine and wire prices could increase around \$2 or so per bale or box later in the summer.

With many dealers and retailers trying to maintain small inventories, farmers may need to locate twine or wire earlier than normal to avoid inconvenience at hay baling time. (Richard Smith)

Energy Costs To Go Higher

No major problems are anticipated in meeting the food system's energy needs in 1977, although higher costs for most energy sources are almost certain. The conservation emphasis of the President's proposed Energy Program is expected to help moderate the impact of sharply higher energy prices likely from 1978 on.

The food system uses a little over 16 percent of the Nation's energy resources, including all phases from production down to home preparation and consumption. Forestry and fiber processing use another 5 percent of the total. Farm production takes less than 3 percent of the total.

The higher costs of energy are going to mean higher prices for consumers. Latest estimates show that with no change in energy use an increase of 11 percent in energy costs across the food system would result in a 1-percent increase in average consumer food costs.

However, cooperative research by ERS and the Federal Energy Administration indicates that energy savings in agricultural production could reach 15 to 20 percent over the next decade. The figure, of course, would vary considerably among farms, depending on the types of functions performed (fertilizer and pesticide applications, field operations, irrigation, transportation, etc.), the commodities involved, and location.

A sampling of possible energy savings for various commodities includes:

Dairy. The average dairy farm may be

able to lop off 15 to 18 percent of its current energy consumption (other than for cropping operations) with these innovations: adjustments in milk cooling operations (accounting for almost half the savings), better maintenance of equipment, changes in water heating, and adaptations in ventilating and lighting systems.

Poultry. Poultry producers are heirs to the biggest possible energy savings—20 to 25 percent—mainly through improvements in their brooding operations (about two-thirds of the savings), but also through more efficient feeding and waste handling systems, and better lighting and ventilation management.

Livestock. Large potential savings in grain drying and feed grinding, preparation, and hauling (nearly one-half) may help livestock producers cut back their energy use by 15 to 18 percent. Other conservation measures are changes in range and feedlot management; adjustments in lighting, watering, ventilation, and heating; improved tractor and truck maintenance and use; and better regulation of irrigation.

Field crops. Depending on the crop and the area where it is grown, field crop producers may be able to save about 20 percent of the current energy used. Potential savings are fragmented among reduced preharvesting operations, harvesting and drying modifications, more regulated irrigation, improved fertilizer and pesticide use, and better equipment and power selection and maintenance.

Vegetable crops. Vegetable crop producers can probably reduce energy use 18 to 21 percent through more optimum fertilizer applications, reduced field operations, better regulation of irrigation, improved equipment and power unit selection and maintenance, and more efficient harvesting.

POSSIBLE ENERGY SAVINGS

Farm function	Possible savings	1974 energy consumption share	
		Pct.	Pct. *
Fertilizers/pesticides	10	35	
Field operations	20	20	
Transportation	20	17	
Irrigation	15-20	13	
Livestock			
Production	15-20	8	
Crop drying/preservation	20-25	7	

*Estimates rounded to nearest whole number.

Orchard crops. As much as 20 to 23 percent of the energy used in producing orchard crops can probably be conserved by modified or different frost protection methods (over two-fifths of the savings), more optimum fertilizer applications, reduced field operations, more regulated irrigation, and better equipment and power unit selection and maintenance.

Although the energy savings mentioned are substantial, they do not always represent net dollar savings to producers. In many instances, increases in the use of other inputs and additional investments may be involved, which negate the monetary savings of the energy cutbacks. (Tom Van Arsdall)

Farmers Face Credit Problems

A larger than normal number of farm borrowers will face major cash flow and credit problems this year, according to a special USDA survey of 400 bankers in nine States (Colorado, Kansas, Minnesota, Montana, Nebraska, North Dakota, Oklahoma, South Dakota, and Texas).

Financial problems were found to be most widespread in Nebraska, Kansas, and Oklahoma where the major agricultural industries are livestock and wheat. Farmers producing these commodities are known to be suffering depressed prices and increasing production costs.

If such depressed prices continue, bankers surveyed expect more than a fourth of all farm borrowers in the nine-State area will be forced to refinance their loans or dispose of some farm assets to meet their debt payments. Six percent will not be able to repay their debts from expected income. They thus have the prospect of selling out or facing further action by lenders.

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Most—in fact, more than nine in ten—of the borrowers in the nine States can expect to continue to receive financing from bankers. However, bankers noted that they will not supply additional credit to roughly 18 percent of the farmer-borrowers in Oklahoma, 8 percent in South Dakota, and 7 percent in North Dakota.

Throughout the nine-State area, the 7 percent of the farmers that bankers will not continue to finance often have serious cash flow and low equity problems.

Most lenders surveyed did not give shortages of loan funds as a major reason for not continuing to finance their borrowers, except in Kansas and to a lesser extent in Nebraska and Oklahoma. But while loan funds are generally available, funds have become more restricted because loans have increased more rapidly than deposits. Limitations in loan funds have mostly occurred in banks where the farm community provides a large share of deposits and uses a major portion of loan funds.

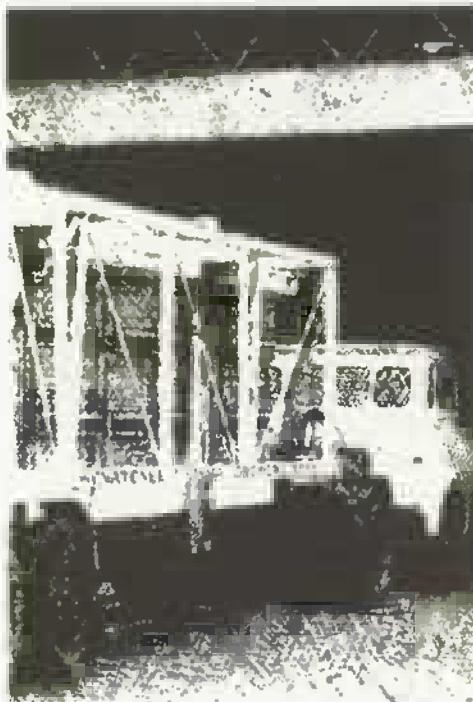
The nine-State area studied has close to 570,000 farms or a fifth of the U.S. total. These farms accounted for \$26 billion of cash receipts from farming in 1976, about 27 percent of U.S. total farm receipts. (Robert Reinsel)

BANKERS' OPINIONS IN 9-STATE AREA¹

Item	Share of total	
	Pct.	
Borrower's repayment ability: ²		
No repayment difficulty	66	
Require refinancing or disposal of assets	28	
Cannot repay	6	
Total	100	
Borrowers' banks will not continue to finance:	7	
Reasons for not financing ³		
Inadequate income	64	
Inadequate equity	68	
Poor management by borrower	44	
Lack of funds to loan	16	

¹ Colo., Kan., Minn., Mont., Neb., N.D., Okla., S.D. and Texas. Sample results expanded based on amount of nonreal estate debt held by banks.

² Assuming current prices continue. ³ Multiple reasons were reported.



Transportation

The transportation system should be able to handle 1977 grain and soybean crops without major disruptions if crops are harvested and marketed in normal patterns. However, shippers can expect somewhat higher costs for rail shipments as rates are expected to average about 6 percent higher than in 1976.

If food grain production declines as expected, based on the April planting intentions report, peak harvesttime demand on the transportation system for these commodities should lessen.

Wheat and Fertilizer Shipments Vie for Rail Space

The overlap of the winter wheat harvest (which begins in late May) with the tail end of the peak fertilizer season could cause some spot shortages of rail cars in the weeks ahead, particularly in the Southwest.

Commercial elevator space is very tight in the Southwest—and a larger than usual wheat crop will compound the problem. Railcars are already in short supply in the Southwest and there could be serious shortages by mid-May when the harvest begins in Texas.

At the start of 1977, rail shipments of grain, grain mill products, and other farm products were disrupted by the severe winter, and consequently were below year-earlier levels. But when the severe cold let up some in mid-February, boxcars and covered hopper cars, normally in surplus supply at that time of

year, became deficit. From mid-February to mid-March, the average daily deficit amounted to 2,084 boxcars and 11,392 covered hopper cars.

Rail Rates Up

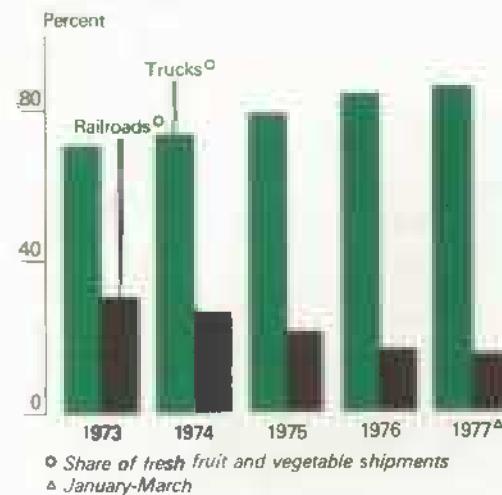
The Bureau of Labor Statistics' Railroad Freight Rate Index for farm products averaged 190.2 (1969=100) in March, up about 7 percent from last March. Rail rates for raw farm products have been climbing less rapidly than rates for processed food products. A repeat of the double-digit annual rates of increase during the first half of 1976 is not expected this year; instead, rates are expected to rise at about a 6-percent annual rate through 1977.

Railroads are currently seeking permission to institute or cancel seasonal, regional, or peak-demand rates on a 5-day notice rather than the usual 30 days required by the ICC. The ICC's proceedings stem from provisions of the Railroad Revitalization and Regulatory Reform Act of 1976 which permit railroads to propose seasonal and other peak rates. These procedures and rates are intended to cause shippers to reduce peak period shipments.

Large Vegetable Harvests Could Cause Some Bottlenecks This Spring

The large 1977 vegetable harvests in Florida and other Southern States promise to create a tight trucking situation and equipment shortage as these crops are harvested through June. Spot shortages have been reported in Texas.

Trucks Hauling Larger Share of Fresh Produce



FRUIT AND VEGETABLE SHIPMENTS

Item	January-March					
	1976			1977 ¹		
	Rail	Truck	Total	Rail	Truck	Total
Carlots						
Florida:						
Oranges	244	10,206	10,450	98	6,408	6,506
Other fruits and vegetables	4,564	53,073	57,637	3,857	34,285	38,142
Total	4,808	63,279	68,087	3,955	40,693	44,648
Other U.S. sources:						
Oranges	1,971	2,057	4,028	2,589	2,274	4,863
Other fruits and vegetables	30,140	126,846	156,986	24,209	130,359	154,568
Total	32,111	128,903	161,014	26,798	132,633	159,431
Total fresh produce	36,919	192,182	229,101	30,753	173,326	204,079

¹ Preliminary.

In the past few years, fresh fruit and vegetables producers have increasingly relied on trucks to market their crops. This trend is particularly evident this year in Florida where trucks have carried 91 percent of all fresh fruit and vegetable shipments.

Much of the growth in trucks' share is due to truckers' relative pricing freedom and the ability to shift equipment to meet shippers' needs, made possible by the "Agricultural Exemption." That exemption removes truckers from any supervision or regulation by the Interstate Commerce Commission (ICC) when handling unmanufactured agricultural commodities such as fresh and ready-to-cook frozen poultry, livestock, eggs, and seafood.

Shippers report that the substantial increase in rail rates instituted by Southwestern railroads in September 1976 has made rail movements of most fresh fruits and vegetables from that area uneconomical. However, the ICC has recently reviewed these rates and found them to be just and reasonable.

Barge Traffic Picking Up

With the spring thaw, barge traffic returned to normal seasonal levels in April, and indications are that sufficient water will be available to permit uninterrupted commercial inland navigation throughout 1977.

January-March barge shipments of grain totaled 269 million bushels, about 100 million bushels below a year ago because bitter winter weather virtually

stopped shipments at several points. However, barge carriers have the ability to move 35-40 million bushels per week. Should the need arise, water carriers could equal or exceed 1976's annual rate of 1.6 billion bushels of grain.

Ocean Freight Rates Decided

A new U.S.-USSR pact provides for shipment of 3,283,000 tons of grain in U.S. vessels during 1977 at an ocean freight rate of \$16.47 per metric ton. Should U.S. vessels carry more than that amount, the excess would command a rate of \$16.00 per metric ton.

During 1976, rates charged by foreign-flag vessels for shipments of heavy grain from North America averaged 1 percent above 1975. Although 1977 rates likely will remain near year-earlier levels, the volatility of this market promises that individual rate quotations will be both well above and well below average. (T.Q. Hutchinson)

Agricultural Outlook represents a merger of six reports formerly published separately under the auspices of the Outlook and Situation Board. Those reports were the Agricultural Outlook Digest, the Farm Cost Situation, the Farm Income Situation, the Marketing and Transportation Situation, the Demand and Price Situation, and the Checklist of ERS Reports.



World Agriculture and Trade

Early prospects are favorable for 1977/78 world agricultural production. Fall-seeded crops in the Northern Hemisphere wintered well and large harvests are expected. As 1977 spring planting gets underway, weather and soil moisture conditions are generally promising.

Current problem areas include Canada, South Asia, and the People's Republic of China, where weather is still a concern.

Only a small reduction is expected in the world area planted to wheat and coarse grains in 1977/78 despite large supplies of grain, low prices relative to oilseeds and some other crops, and dry weather in Canada and the United States. The reduction in the area planted to wheat is likely to be offset almost entirely by larger plantings of coarse grains.

Any yield projections are highly tentative this early in the growing season, but it should be noted that the 1976/77 world grain yield of 1.87 tons per hectare was substantially above trend. That level may not be duplicated in 1977/78.

In sum, current economic and weather conditions indicate that 1977/78 world wheat and coarse grain production may be marginally below last year's 1,103 million metric tons. However, some further

WORLD PRODUCTION OF WHEAT AND COARSE GRAINS¹

	1974/75	1975/76	Preliminary 1976/77	Projected 1977/78
Million metric tons				
WHEAT				
Production				
Selected exporters ¹	30.7	37.7	46.7	36.8
Western Europe	56.7	48.5	50.6	54.3
Eastern Europe	34.0	28.4	34.7	33.4
USSR	83.8	66.2	96.9	100.0
India	21.8	24.1	28.3	25.5
World total	356.4	350.1	412.9	397.0
Exports	68.0	72.7	66.2	68.2
Consumption	362.7	349.6	372.0	386.4
Carryover stocks	62.8	63.3	104.3	114.9
COARSE GRAINS				
Production				
Selected exporters ²	65.0	67.5	75.9	77.3
Western Europe	85.1	81.6	72.4	84.5
Eastern Europe	57.3	59.6	58.9	60.1
USSR	99.7	65.8	115.0	100.0
World total	620.4	634.3	690.1	691.7
Exports	69.5	89.0	83.4	74.7
Consumption	624.2	634.9	673.9	666.6
Carryover stocks	52.4	51.8	67.8	93.0

¹ Argentina, Australia, and Canada. ² Argentina, Australia, Brazil, Canada, South Africa, and Thailand.

buildup in stocks is expected.

If anticipated world crops materialize, U.S. grain exports in 1977/78 could be substantially reduced—perhaps by about a tenth. However, exports of soybeans and products are expected to continue large because of the strengthening of the world livestock economy and deficits of protein feeds.

A summary of crop prospects in major Northern Hemisphere regions follows.

Prospects Favor Soviet and East European Output Goals

Early season prospects are favorable for 1977 agricultural production in the Soviet Union. At this time, the 1977 Soviet grain target of 213 million tons seems attainable. Precipitation and temperatures during May through July will be the key determinants. A grain crop of this size would be consistent with Soviet exports of about 9 million tons and imports of around 4 million.

The Soviet Union has set 1977 production goals for most other crops at levels some 20 to 25 percent above 1971-75 averages. Most of these goals proba-

bly cannot be reached unless weather is unusually favorable. The planned expansion in livestock product output should be achieved given the livestock and poultry numbers at the beginning of this year and good feed supplies from the 1976 crop season.

The East European countries are pushing for self-sufficiency in grains, and weather thus far has favored progress toward that goal. In the absence of adverse weather this summer, Eastern Europe's 1977 grain production should total near last year's record 94 million tons, and grain imports will probably be reduced significantly.

Producer prices for oilseeds have been raised in several East European countries, and slight increases are expected in the area planted to sunflowerseed, rapeseed, and soybeans. If yields are near trend levels, the region should be able to reduce imports of protein meal and oilseeds, in part because livestock herds are smaller. Oilseed crushing capacity is expanding, and Eastern Europe's imports will be shifting from meal to oilseeds.

West Europe's Farm Output May Rebound

In Western Europe, abundant fall rains and a relatively mild winter have enabled recovery from last summer's drought. Because of the favorable

weather conditions thus far, Western Europe's farm output is expected to increase in 1977 after 2 years of decline. The European Community's proposed farm price increases for 1977 average 3½ percent—compared with 7 to 10 percent in recent years.

West European grain production is expected to rise about a tenth above 1976's drought-reduced 124 million tons. If the region's grain output rebounds as expected this year, net imports will drop substantially below 1976/77's 35 million tons.

Less Wheat in Canada

Canada's April 1 planting intentions report indicates a shift in planted area from wheat to oilseeds and coarse grains in 1977. Rapeseed area may be up a tenth and barley area up over two-thirds from 1976. Planting intentions show a drop of 10 percent in wheat area from 1976, and last year's record yield—the result of ideal weather—is not expected to be maintained. Canada's 1977 wheat crop is now estimated about 30 percent below 1976's 23.5 million tons.

The Canadian Prairie Provinces are suffering from drought this spring, increasing the uncertainty of crop outturns. Subsoil moisture supplies are very low, so late spring and summer rain will be especially critical.

Outlook Mixed in Other Regions

Drought has severely damaged the North African wheat crop. The June wheat harvest in Algeria, Morocco, and Tunisia may be almost a fourth below last year's large crop of 5 million tons. Conditions were very favorable for planting last autumn, but there has been very little rainfall since January. It is expected that the crop shortfall will be met by expanded wheat imports.

In the Middle East, growing conditions are generally good except in Jordan and Yemen. Spring weather in Iran has been unusually favorable, and 1977 crop production should repeat last year's good performance. In Turkey, recent dry weather has threatened the wheat crop.

The food situation in *South Asia* has relaxed in the past year but problems remain. In Pakistan, a record wheat crop of about 8.9 million tons (harvested in April and May) is expected as the result of excellent weather and larger plantings. The possibility exists that Pakistan may nevertheless import wheat in order to build up stocks. Bangladesh's 1977 grain crop has been damaged by lack of rainfall and irrigation problems, and continued imports are necessary.

India's 1977 winter wheat crop will probably not equal last year's harvest because of dry weather. India is approaching the monsoon season in a particularly vulnerable position because of the dry winter. The timing and strength of the June monsoon rains will influence import decisions. Although Indian Government wheat stocks are sizable at this time, large imports could be necessary this year.

Thailand's milled rice production is estimated at 10.0 million tons for 1976/77. The calendar 1977 official export target remains at 1.3 million tons despite exports of 730,000 tons during the first quarter. Private rice traders are urging the government to increase the export target to 1.5 million tons.

PRC Still Watching Weather

Drought in the People's Republic of China (PRC) has created great concern for the winter wheat and early rice crops. Significant rainfall was reported during April in major early rice areas in South and Central China. The winter wheat areas of Szechwan and the southern portion of the North China Plain as well as various areas producing corn, sorghum, and soybeans in Northeast China also reported rain. The spring wheat belt received above normal rainfall in mid-April which should have eased the dry conditions.

The April rains across China may have improved crop conditions considerably. However, the outcome of early-harvested crops is still dependent on precipitation and temperatures through the end of May.

PRC grain imports will be larger in 1977; purchases of 5 million tons have already been made. These purchases are believed to be due to low prices, low Chinese stock levels, and procurement shortfalls, as well as concern over the 1977 early grain crop. Weather and crop developments later in the year will determine if more is needed.

The PRC's tight soybean and vegetable oil situation is expected to continue

in 1977. Optional-origin soybean purchases of 390,000 tons made through late March indicate that China may be a net importer of soybeans this year. (Sally E. Breedlove)

Western Hemisphere Update

Rising food production and gains in agricultural trade helped support a moderate economic recovery in many Western Hemisphere countries during 1976. Agricultural output rose to new highs in Canada, Argentina, Paraguay, and Uruguay and continued a strong rising trend in Brazil in spite of the unusually small coffee and cotton harvests.

Farmers suffered from weather and other adversities in Mexico, Central America, the Caribbean, and the Andean regions of South America; but Latin American food production resumed a rising trend and was up 5 percent from 1975. Sugar export earnings fell, but the trade situation in Latin America was improved by rising prices, particularly for coffee, and by further price declines for grains and other food imports.

U.S. agricultural imports from other Western Hemisphere countries increased to a new record of \$4.9 billion but U.S. exports fell further from the 1974 peak of \$3.8 billion to \$3.4 billion in 1976.

South America Pushes Meat Output

Argentina and Brazil, traditionally big in livestock production and exports, especially Argentina, are expanding production or exports of certain meats and poultry. This could trigger increased imports of U.S. livestock and parent stock for breeding. Peru and Colombia have similar plans, though on a lesser scale.

Long term growth blueprints vary by country, but generally focus on expansion of facilities and improvement of breeding, feeding, production, and processing techniques for poultry or livestock. Brazil is constructing freezing facilities to enable both increased consumption and larger exports of broilers. Argentina has seen its short term production of broilers decrease but its exports expand, something that must change.

Peru is seeking alternative feedstuffs to the currently used fishmeal which affects palatability of poultry meat. Beef-eating Colombia is increasing poultry consumption faster than beef or pork, but the main poultry feed there, sorghum, competes for land with corn, the main foodstuff.

U.S. Exports And Imports Climbing
U.S. agricultural exports during October-March 1976/77 totaled \$12.7 billion—8 percent above the level for the same period a year earlier. Tonnage increases for most major commodity groups, as well as higher prices for soybeans and products more than offset lower grain prices. Value gains were posted for soybeans, soybean oil, cotton, cottonseed oil; fruits; nuts; hides; animal feeds; tobacco; edible offals; and dairy products. March farm product exports exceeded the February level by 12 percent and the year-earlier level by 22 percent.

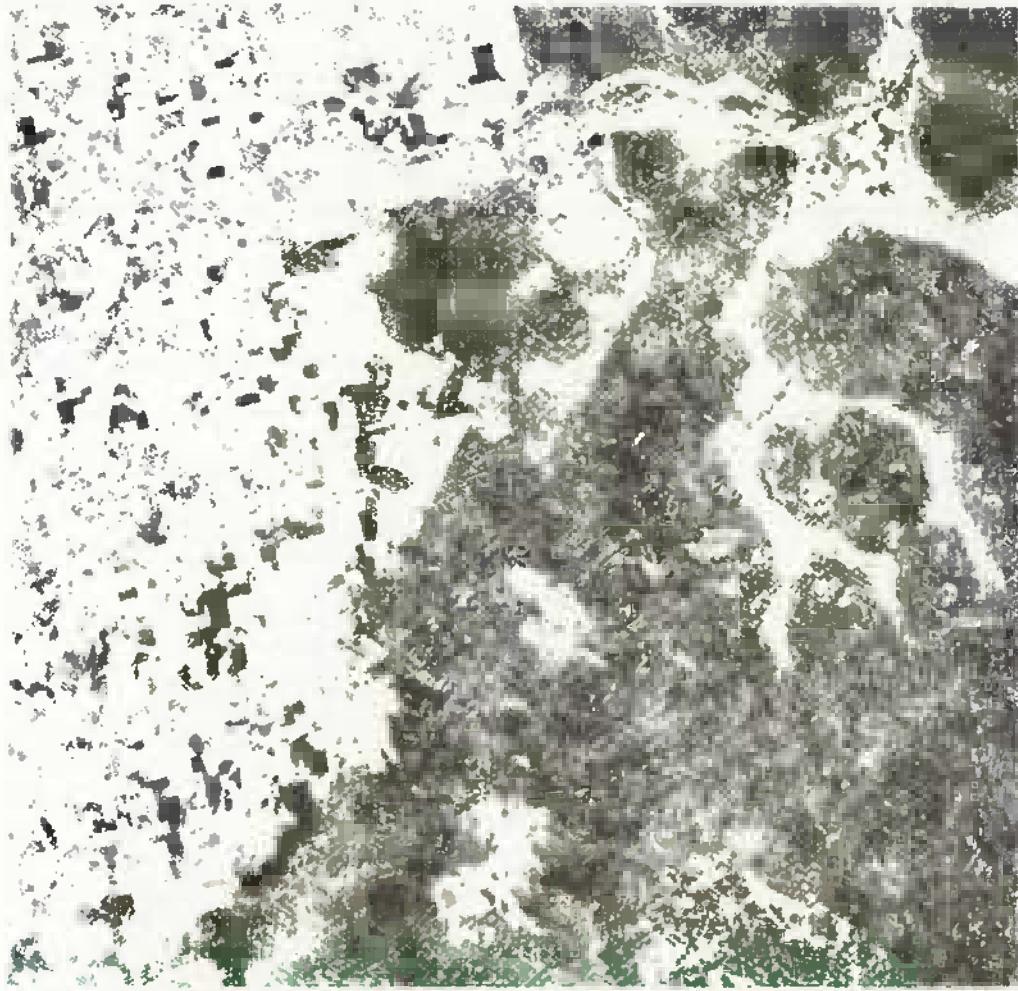
U.S. agricultural imports in March, valued at \$1.3 billion, were up 18 percent above February's level but were about 35 percent higher than a year earlier. Imports of noncompetitive products—mainly green coffee, cocoa beans, and rubber—declined from the January level. Coffee imports in March totaled \$757 million in October-March compared with \$420 million the like period a year earlier. September.

MAY SITUATION REPORT SCHEDULE

Situation reports which will be released by USDA's Outlook and Situation Board this month include:

Title	Off Press
Fats & Oils	May 5
Sugar & Sweetener	May 10
Vegetable	May 11
Feed	May 17
Livestock & Meat	May 19
Export Outlook	May 18
Dairy	May 24
Wheat	May 26

Single copies of the reports may be obtained by writing to ERS Publications Unit, Room 0054, South Building, USDA, Washington, D.C. 20250.



LACIE: Crop Forecasting by Satellite

by Howard Hill, USDA LACIE Project Manager, Economic Research Service

This coming summer, a satellite 570 miles overhead will be trying to answer whether space age technology is as accurate as ground observations in estimating crop conditions and production. The satellite is the eyes for a research project called LACIE, short for Large Area Crop Inventory Experiment. Jointly sponsored by the U.S. Department of Agriculture, the National Oceanic and Atmospheric Administration (NOAA), and the National Aeronautics and Space Administration (NASA). The experiment hopes to demonstrate the technical feasibility and economic importance of remote sensing from space. LACIE's goal is to be 90-percent accurate in estimating wheat production 90 percent of the time.

LACIE results to date have been mixed. Last season, LACIE's final estimate of winter wheat production for seven winter wheat producing States in the Great Plains was 7 percent different from USDA's final estimate for the same States. LACIE's first wheat forecasts for the seven States were made in June. This forecast of wheat production proved to

be 14 percent below the final estimate. USDA's June forecast of wheat production in these States was 15 percent below the final estimate. In July, the LACIE forecast was 12 percent below while USDA's was 3 percent below the final estimate.

During the 1976 season, LACIE's estimate of a portion of the USSR's winter wheat crop was quite close to USDA's current estimate. However, LACIE forecasts of spring wheat crops both here and abroad have not been as accurate as their winter wheat estimates. The main problem in forecasting spring wheat is in accurately differentiating between spring wheat and other spring grains that are planted at about the same time as wheat. LACIE scientists are taking several steps to solve this problem. One approach is to proportion acreages of wheat and other grains within limits of acreages grown in recent years. Research on improved techniques for identifying each crop seems to hold the key to major improvement in this area.

How quickly do the LACIE scientists come up with their forecasts? The LACIE goal is to produce an estimate within 15 days of the satellite's passover. Right now this forecast is produced in about 30 days on the average. LACIE scientists anticipate that the 15-day goal can be attained in an operational setting, possibly through more rapid processing and more intensive use of computer facilities. The way the system works now is that the data comes in on computer tape, each number signifying part of the "picture" of the crop area. The numbers are then electronically assembled into a real picture with colors showing stages of crop development. An analyst then classifies fields in the sample area as wheat or other crops. Yield is estimated by mathematical models that use temperature and precipitation data collected from ground weather stations by NOAA. Acreage and yield information are then combined to form an estimate of total wheat production.

The idea of a project using remote sensing for agricultural purposes has been around for a number of years. During the early 1960's, NASA, in cooperation with USDA and advised by the National Academy of Science, began looking into the possibility of assessing agricultural conditions using remote sensing techniques. A consortium of universities, NASA, and USDA formed research groups to conduct these investigations. After NASA's first Earth Resources Technology Satellite (ERTS) was launched in 1972, more research attention has focused upon ways to obtain agricultural and natural resource data from this source.

The LACIE project formally came into being on November 6, 1974. The first experiment is on wheat because it is the most abundant of the small grains and provides 20 percent of the total food calories consumed by the world's population. The experiment is being carried out during 3 consecutive wheat crop years, 1974/75 through 1976/77.

In the current phase of the LACIE experiment, estimates of wheat acreage, yield, and total production are being made during the crop season for the Great Plains States, the USSR, and regions of the Peoples Republic of China, Canada, and India. Part of the value of this phase of LACIE and subsequent use of remote sensing by satellite will be to get accurate and timely information about foreign crops.

Statistical Indicators

Farm Income

Gross and net farm income¹

Items	Annual			1974		1975				1976				1977
	1974	1975	1976	III	IV	I	II	III	IV	I	II	III	IV	I ^p
										\$ BIL.				
Cash receipts from farm marketings	92.6	89.6	94.8	89.3	91.7	80.0	91.1	96.5	90.8	92.4	101.8	93.8	91.3	95.6
Nonmoney and other farm income ¹	7.6	8.6	9.4	7.7	7.8	8.4	8.5	8.7	8.8	9.1	9.3	9.5	9.6	9.7
Realized gross farm income	100.2	98.2	104.2	97.0	99.5	88.4	99.6	105.2	99.6	101.5	111.1	103.3	100.9	105.3
Farm production expenses	72.4	75.5	80.9	72.7	72.8	73.4	76.1	76.8	75.7	79.0	82.5	81.5	80.6	82.3
Farmers' realized net income	27.8	22.7	23.3	24.3	26.7	15.0	23.5	28.4	23.9	22.5	28.6	21.8	20.3	23.0
Net change in farm inventories	-1.3	2.9	-1.3	0	-2.9	3.5	1.3	1.6	5.2	0	-3.0	-1.0	-1.0	0
Farmers' total net income	26.5	25.6	22.0	24.3	23.8	18.5	24.8	30.0	29.1	22.5	25.6	20.8	19.3	23.0

¹ Quarterly data are seasonally adjusted at annual rates. All data subject to revision in June 1977. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ^p Preliminary.

Cash receipts from farming

Items	Annual			1976					1977		
	1974	1975	1976	Feb	Sept	Oct	Nov	Dec	Jan	Feb	
\$ MIL.											
Farm marketings and CCC loans ¹	92,648	89,563	94,793	6,605	8,108	10,390	9,811	8,503	8,747	6,361	
Livestock and products	41,377	42,902	46,991	3,664	3,997	4,078	3,798	3,695	3,645	3,470	
Meat animals	25,193	25,811	27,967	2,207	2,383	2,469	2,294	2,161	2,086	1,996	
Dairy products	9,445	9,866	11,391	889	932	936	878	914	946	876	
Poultry and eggs	6,253	6,739	7,100	530	641	632	587	562	574	559	
Other	486	486	533	38	41	41	39	58	39	39	
Crops	51,271	46,661	47,802	2,941	4,111	6,312	6,013	4,808	5,102	2,891	
Food grains	8,762	8,347	6,661	545	623	513	310	271	369	198	
Feed crops	13,958	12,513	13,216	953	1,057	1,413	1,561	1,379	1,687	940	
Cotton (lint and seed)	2,893	2,372	3,383	181	104	577	833	823	700	223	
Tobacco	2,097	2,155	2,270	36	428	300	250	321	208	61	
Oil-bearing crops	9,817	7,920	9,201	480	496	2,083	1,581	862	1,291	659	
Vegetables and melons	5,308	5,370	5,205	309	710	609	360	308	366	334	
Fruits and tree nuts	3,424	3,548	3,518	175	351	417	385	301	202	222	
Other	5,012	4,436	4,348	262	342	400	733	542	279	254	
Government payments	530	807	712	53	56	69	90	131	97	100	
Total cash receipts ²	93,178	90,370	95,505	6,658	8,164	10,459	9,901	8,634	8,844	6,461	

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

Items	Annual			1976					1977		
	1974	1975	1976	Feb	Sept	Oct	Nov	Dec	Jan	Feb	
1967=100											
All commodities	111	115	121	100	127	164	157	139	130	96	
Livestock and Products	104	106	113	103	118	129	120	124	108	100	
Crops	121	128	132	96	138	211	209	158	159	91	

Cash receipts¹ from farm marketings, by States, January-February

State	Livestock and Products		Crops ²		Total ¹	
	1976	1977	1976	1977	1976	1977
\$ Mil. ³						
NORTH ATLANTIC						
Maine	41.5	42.1	38.4	28.7	79.9	70.8
New Hampshire	9.7	8.6	2.9	3.4	12.6	12.0
Vermont	39.4	36.0	1.7	2.4	41.1	38.3
Massachusetts	19.4	19.4	19.2	20.0	38.6	39.3
Rhode Island	2.1	1.8	1.2	1.8	3.3	3.6
Connecticut	23.6	22.1	37.2	39.0	60.8	61.1
New York	197.4	190.1	69.0	80.2	266.4	270.3
New Jersey	19.3	18.4	14.8	18.2	34.1	36.6
Pennsylvania	212.2	210.6	89.4	109.0	301.6	319.6
NORTH CENTRAL						
Ohio	202.0	186.7	203.6	305.6	405.6	492.4
Indiana	206.8	183.3	301.1	465.1	507.9	648.3
Illinois	313.9	272.6	856.2	1,148.1	1,170.0	1,420.7
Michigan	132.2	124.4	158.1	132.2	290.3	256.6
Wisconsin	404.7	389.4	90.1	69.1	494.8	458.6
Minnesota	368.0	336.8	222.2	248.8	590.1	585.6
Iowa	669.7	568.6	492.9	675.5	1,162.6	1,244.2
Missouri	247.0	213.1	129.4	187.3	376.4	400.4
North Dakota	92.1	83.1	177.1	104.4	269.2	187.5
South Dakota	293.8	263.1	75.7	41.0	369.5	304.1
Nebraska	358.2	344.4	324.7	330.4	682.9	674.9
Kansas	333.7	303.1	278.5	219.6	612.1	522.7
SOUTHERN						
Delaware	26.4	25.5	7.7	10.1	34.1	35.5
Maryland	69.9	66.9	17.5	21.5	87.4	88.4
Virginia	81.7	113.3	39.5	37.1	121.2	150.4
West Virginia	14.3	13.4	6.6	10.0	20.9	23.5
North Carolina	165.1	160.6	62.3	90.2	227.4	250.8
South Carolina	49.4	47.2	39.6	57.7	89.0	104.9
Georgia	195.1	190.7	82.7	75.8	277.8	266.6
Florida	112.8	112.8	456.5	456.5	569.3	569.3
Kentucky	101.7	101.0	236.2	257.7	337.9	358.7
Tennessee	107.4	108.3	70.2	88.4	177.6	196.8
Alabama	143.2	140.9	56.8	70.5	200.0	211.4
Mississippi	117.3	121.7	157.0	206.2	274.3	327.9
Arkansas	156.9	164.6	176.9	133.9	333.8	298.5
Louisiana	61.0	65.3	116.6	127.4	177.6	192.7
Oklahoma	210.1	205.2	106.9	84.2	317.0	289.4
Texas	477.9	470.1	522.8	712.9	1,000.7	1,183.0
WESTERN						
Montana	55.1	56.6	104.7	60.3	159.8	116.9
Idaho	93.4	87.6	124.6	115.2	218.0	202.9
Wyoming	27.4	27.4	23.6	8.6	51.0	36.0
Colorado	238.2	231.3	82.8	67.8	321.0	299.1
New Mexico	48.0	44.7	25.8	24.5	73.7	69.2
Arizona	86.5	81.7	153.7	140.2	240.2	221.9
Utah	36.7	34.2	15.4	12.8	52.2	47.0
Nevada	18.9	18.9	8.0	9.3	26.9	28.1
Washington	84.3	79.7	166.0	154.7	250.3	234.4
Oregon	61.9	60.5	93.0	71.1	154.9	131.7
California	469.9	456.8	634.9	630.0	1,104.9	1,086.8
Alaska	.5	.5	.1	.1	.6	.6
Hawaii	9.9	9.6	28.5	28.5	38.4	38.2
UNITED STATES						
Grand Total	7,507.6	7,114.7	7,200.2	7,993.3	14,707.8	15,108.0

¹ Estimated as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. ³ Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

Items	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
	1967=100									
Prices Received										
All farm products	192	186	186	186	178	173	179	183	187	190
All crops	224	201	198	195	195	187	192	198	203	211
Food grains	300	242	201	227	169	161	157	160	163	160
Feed grains and hay	243	230	218	217	207	185	199	207	208	210
Feed grains	249	232	214	216	201	177	193	201	201	202
Cotton	228	183	267	235	278	289	281	277	284	310
Tobacco	148	162	163	158	171	170	174	173	172	172
Oil-bearing crops	232	195	205	169	217	223	237	245	252	276
Fruit	141	140	134	138	159	133	126	119	122	131
Fresh market ¹	136	135	133	138	164	132	123	110	113	124
Commercial vegetables	143	164	162	167	175	173	164	203	225	227
Fresh market ¹	152	173	172	179	191	189	172	235	267	270
Potatoes ²	290	214	207	236	150	158	190	168	179	182
Livestock and products	165	172	177	178	165	162	168	170	174	171
Meat animals	165	169	170	173	150	145	155	158	163	162
Dairy products	166	174	193	193	199	197	194	192	190	187
Poultry and eggs	163	179	179	175	174	176	184	183	192	183
Prices Paid										
Commodities and services,										
Interest, taxes, and wage rates	166	180	192	191	192	192	193	198	200	201
Production items	166	182	193	193	192	191	193	196	199	201
Feed	194	187	191	185	192	186	193	197	200	202
Feeder livestock	148	134	154	158	143	141	143	142	153	158
Interest payable per acre										
on farm real estate debt	235	281	303	303	303	303	303	328	328	328
Taxes on farm real estate	154	162	176	176	176	176	176	186	186	186
Wage rates (seasonally adjusted)	178	192	210	213	206	206	206	229	229	229
Production items, interest, taxes, and wage rates	172	187	199	199	198	197	199	204	207	209
Prices received (1910-14=100)	481	464	466	464	446	433	448	457	468	474
Prices paid, etc. (Parity index)										
(1910-14=100)	564	614	653	651	652	652	657	673	679	685
Parity ratio	85	76	71	71	68	66	68	68	69	69

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans.

Prices received by farmers, U.S. average

Commodities	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
	1967=100									
Crops										
All wheat (\$/bu.)	4.48	3.68	3.14	3.65	2.59	2.46	2.39	2.43	2.47	2.43
Rice, rough (\$/cwt.)	13.94	10.12	6.90	6.17	6.48	6.46	6.57	6.79	6.87	6.81
Corn (\$/bu.)	2.92	2.70	2.49	2.50	2.33	2.02	2.24	2.34	2.34	2.35
Sorghum (\$/cwt.)	4.59	4.31	4.01	4.14	3.68	3.30	3.51	3.59	3.51	3.56
All hay, baled (\$/ton)	49.10	51.40	58.00	54.10	60.10	59.00	59.00	60.90	62.70	63.90
Soybeans (\$/bu.)	6.42	5.24	5.58	4.46	5.90	6.11	6.56	6.81	7.06	7.83
Cotton, Upland (cts./lb.)	51.3	41.2	59.9	52.7	62.5	65.2	63.1	62.3	63.9	69.8
Potatoes (\$/cwt.)	5.70	4.04	4.13	4.95	3.05	2.99	3.06	3.40	3.56	3.71
Dry edible beans (\$/cwt.)	32.30	20.30	16.50	17.80	14.30	15.30	14.50	14.10	16.00	14.50
Apples for fresh use (cts./lb.)	10.9	11.5	10.2	9.3	12.6	11.6	11.3	11.1	11.1	12.0
Pears for fresh use (\$/ton)	1200	169	184	226	207	182	173	159	145	123
Oranges, all uses (\$/box) ²	1.99	1.77	1.79	2.09	2.03	1.61	1.17	.82	.86	1.46
Grapefruit, all uses (\$/box) ²	1.63	1.75	1.74	1.22	4.33	1.44	1.47	1.13	1.85	1.10
Livestock										
Beef cattle (\$/cwt.)	35.80	32.20	33.70	33.40	32.20	31.20	32.40	32.30	33.10	33.80
Calves (\$/cwt.)	38.60	26.90	34.10	34.80	33.00	32.10	32.80	33.70	35.60	36.60
Hogs (\$/cwt.)	34.30	47.60	43.00	45.60	32.90	31.20	36.30	38.00	39.30	37.10
Lambs (\$/cwt.)	37.40	42.10	46.90	50.20	42.60	41.90	44.70	48.50	49.50	49.20
All milk, sold to plants (\$/cwt.)	8.34	8.78	9.68	9.72	10.00	9.94	9.75	9.65	9.54	9.43
Milk, manuf. grade (\$/cwt.)	7.15	7.71	8.58	8.53	8.57	8.57	8.55	8.48	8.41	8.46
Broilers (cts./lb.)	21.8	26.2	23.1	24.4	20.6	19.4	19.3	21.5	24.0	24.3
Eggs (cts./doz.) ²	53.0	52.8	58.8	53.5	60.3	65.5	69.5	65.1	66.2	58.8
Turkeys (cts./lb.)	28.8	33.6	31.7	32.9	30.7	31.1	33.5	32.4	32.5	34.2
Wool (cts./lb.) ²	59.1	44.7	65.7	59.5	70.8	71.2	69.5	75.1	73.0	75.6

¹ Eleven month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments. ⁵ Preliminary.

Wholesale and Retail Prices

Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
1967=100										
All commodities	160.1	174.9	182.9	179.6	185.2	185.6	187.1	188.0	190.0	191.9
Industrial commodities	153.8	171.5	182.3	178.9	186.3	187.0	187.4	188.4	189.9	191.6
All foods ¹	174.4	186.0	178.9	178.2	175.4	174.1	178.5	179.2	183.0	184.8
Farm products and processed foods and feeds	177.4	184.2	183.1	180.3	179.4	178.4	183.9	184.8	188.4	190.9
Farm products	187.7	186.7	191.1	187.2	186.6	183.6	191.6	193.5	199.0	202.4
Fruits and vegetables ²	192.3	183.7	178.6	184.5	192.0	166.5	174.4	198.4	212.6	219.1
Grains	257.9	223.9	205.9	217.8	186.7	175.4	180.6	184.9	185.8	183.4
Livestock	170.6	187.8	173.3	170.7	156.1	154.4	166.1	166.0	166.2	163.5
Poultry, live	157.4	189.8	166.9	182.6	150.5	139.1	145.7	153.7	183.7	177.2
Fibers, plant and animal	193.9	153.1	223.9	187.9	249.8	257.9	239.5	216.5	240.1	252.4
Milk	172.8	180.2	201.7	207.6	206.7	204.4	202.8	200.2	198.4	195.2
Eggs	160.6	159.8	179.0	159.2	180.7	192.8	213.6	189.2	194.8	173.5
Diseeds	232.2	198.5	204.2	172.9	209.1	225.5	238.2	241.2	244.1	272.5
Processed foods and feeds	170.9	182.6	178.0	175.8	174.9	174.8	179.0	179.3	181.9	183.9
Meats	159.6	188.7	173.6	171.7	158.8	159.0	167.9	153.3	163.4	160.5
Beef and veal	158.6	176.3	156.0	150.0	147.7	151.8	156.1	146.4	149.1	147.1
Pork	162.3	214.7	201.4	202.4	173.6	170.4	190.5	186.3	183.6	178.7
Poultry	157.3	184.1	166.2	178.8	154.5	144.9	149.6	154.8	179.2	174.7
Fish	204.6	218.7	272.4	261.3	273.2	283.1	292.1	305.4	300.2	296.8
Dairy	146.4	155.8	168.4	166.7	169.5	168.1	167.3	166.8	166.9	168.1
Processed fruits and vegetables	154.6	169.8	170.4	166.5	173.7	175.9	175.8	175.4	182.9	184.2
Cereal and bakery products	171.2	178.0	172.1	174.5	170.0	168.7	168.5	168.4	169.9	171.5
Sugar and confectionery	258.9	254.3	190.9	207.5	176.4	171.4	170.5	171.9	177.6	180.2
Beverages	140.7	162.4	173.4	167.0	177.2	178.8	183.8	184.1	189.3	199.5
Vegetable oil and products	224.8	211.5	174.2	170.2	177.6	180.6	178.3	177.9	182.7	187.8
Textile products and apparel	139.1	137.9	148.0	146.7	149.3	149.8	149.5	150.3	151.1	152.1
Apparel	129.5	133.4	139.9	137.8	142.4	142.8	142.9	144.8	145.6	146.0
Hides, leather, and related products	145.1	148.5	167.4	162.0	170.8	169.7	171.5	174.5	176.7	177.6
Footwear	140.0	147.8	158.4	153.9	162.7	163.0	163.9	164.5	165.9	166.7
Lumber and wood products	183.6	176.8	205.5	202.3	213.6	214.3	219.9	222.7	224.2	228.7
Tobacco products	132.8	149.6	163.0	159.3	162.5	172.2	172.3	174.7	174.8	174.8

¹ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm products group. ² Fresh and dried.

Consumer Price Index, U.S. average (not seasonally adjusted)

Items	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
1967=100										
Consumer price index, all items	147.7	161.2	170.5	167.5	173.3	173.8	174.3	175.3	177.1	178.2
Consumer price index, less food	143.7	157.1	167.5	164.2	170.8	171.6	172.2	172.9	174.0	175.1
All food	161.7	175.4	180.8	178.7	181.6	181.1	181.7	183.4	187.7	188.6
Food away from home	159.4	174.3	186.1	182.8	189.3	190.0	190.9	192.2	193.6	195.2
Food at home	162.4	175.8	179.5	177.7	179.6	178.9	179.3	181.2	186.2	186.9
Meats ¹	164.1	177.9	178.2	179.6	172.7	169.7	167.4	169.9	171.3	170.8
Beef and veal	168.5	170.0	164.5	164.7	158.7	159.4	160.7	162.1	161.5	160.7
Pork	161.0	196.9	199.5	204.3	191.7	182.4	174.7	180.1	185.1	184.1
Poultry	146.9	162.4	155.7	157.7	149.2	144.5	144.0	144.5	152.9	158.3
Fish	187.7	203.3	227.3	219.3	234.4	235.5	237.6	238.0	241.1	241.5
Eggs	160.8	157.8	172.4	160.4	179.4	178.7	193.8	197.9	207.9	179.5
Dairy products ²	151.9	156.6	169.3	167.9	172.7	171.7	171.4	171.3	171.1	171.2
Fats and oils ³	179.4	198.6	173.7	175.0	174.3	175.7	177.3	178.8	179.5	180.7
Fruits and vegetables	165.8	171.0	176.4	173.6	175.5	174.8	175.5	177.6	194.7	196.8
Fresh	162.6	166.1	170.2	165.2	171.9	170.7	171.4	174.9	203.6	205.4
Processed	170.6	178.3	183.0	186.1	181.0	181.1	181.4	181.5	181.6	184.0
Cereals and bakery products	166.1	184.8	180.6	180.6	180.1	179.9	179.3	179.9	180.0	181.3
Sugar and sweets	195.2	246.2	218.2	222.4	213.3	212.3	211.1	212.7	219.2	222.8
Beverages, nonalcoholic	155.6	178.9	214.0	193.0	230.7	237.7	246.9	257.6	273.8	286.4
Apparel commodities less footwear	135.7	140.6	144.9	142.2	148.5	149.4	149.2	146.5	147.4	148.1
Footwear	138.1	144.2	149.9	147.5	152.8	153.7	153.4	153.2	154.4	155.4
Tobacco Products	143.8	153.9	160.5	159.5	161.0	162.7	163.7	165.4	165.8	166.0
Beverages, alcoholic	131.8	142.1	146.8	145.2	148.3	148.6	148.8	148.8	148.8	149.3

¹ Beef, veal, lamb, mutton, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Farm-Retail Price Spreads

Farm-retail price spreads

Commodities	Annual			1976p ¹				1977p		
	1974	1975	1976p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Market basket²:										
Retail cost (1967=100)	161.9	173.6	175.4	174.8	174.4	173.1	173.0	174.3	178.6	178.3
Farm value (1967=100)	178.3	187.1	178.8	180.8	168.7	168.0	171.1	172.6	181.1	177.8
Farm-retail spread (1967=100)	151.5	165.1	173.2	171.0	178.0	176.3	174.2	175.4	177.0	178.6
Farmer's share (%)	43	42	40	40	38	38	38	38	39	39
Beef, choice:										
Retail price ³ (cts./lb.)	138.8	146.0	138.9	135.1	133.5	135.7	138.9	137.5	134.6	133.2
Carcass value ⁴ (cts.)	97.4	105.5	88.6	82.8	84.9	88.3	90.8	87.1	85.6	83.3
Net farm value (cts./2.28 lbs.)	86.1	92.9	77.9	71.8	75.0	78.5	79.8	75.1	74.8	73.1
Farm-retail spread (cts.)	52.7	53.1	61.0	63.3	58.5	57.2	59.1	62.4	59.8	60.1
Carcass-retail spread ⁵ (cts.)	41.4	40.5	50.3	52.3	48.6	47.4	48.1	50.4	49.0	49.9
Farm-carcass spread ⁶ (cts.)	11.3	12.6	10.7	11.0	9.9	9.8	11.0	12.0	10.8	10.2
Farmer's share (%)	62	64	56	53	56	58	57	55	56	55
Pork:										
Retail price ³ (cts./lb.)	108.2	135.0	134.3	138.7	124.8	117.5	117.2	119.6	121.1	121.0
Wholesale value ⁴ (cts.)	77.4	103.8	93.6	96.2	79.2	77.6	83.9	85.2	85.0	82.1
Net farm value (cts./1.97 lbs.)	60.8	86.9	78.4	83.9	57.6	56.4	67.5	69.8	70.9	65.9
Farm-retail spread ⁵ (cts.)	47.4	48.1	55.9	54.8	67.2	61.1	49.7	49.8	50.2	55.1
Carcass-retail spread ⁶ (cts.)	30.8	31.2	40.7	42.5	45.6	39.9	33.3	34.4	36.1	38.9
Farm-carcass spread ⁶ (cts.)	16.6	16.9	15.2	12.3	21.6	21.2	16.4	15.4	14.1	16.2
Farmer's share (%)	56	64	58	60	46	48	58	58	59	54
Milk, fresh:										
Retail price (cts./% gal.)	78.4	78.5	82.7	82.8	84.5	83.9	83.6	83.5	83.6	83.5
Farm value (cts./4.39 lbs. Class I)	40.8	41.2	46.2	46.9	48.2	46.4	45.0	45.0	44.9	43.9
Farm-retail spread (cts.)	37.6	37.3	36.5	35.9	36.3	37.5	38.6	38.5	38.7	39.6
Farmer's share (%)	52	52	56	57	57	55	54	54	54	53
Chicken, frying:										
Retail price (cts./lb.)	56.0	63.2	59.7	60.8	56.7	54.4	54.3	54.7	58.8	61.3
Farm value (cts./1.41 lbs. broilers)	31.6	37.0	32.8	35.7	28.9	27.4	28.1	27.9	31.9	34.0
Farm-retail spread (cts.)	24.4	26.2	26.9	25.1	27.8	27.0	26.2	26.8	26.9	27.3
Farmer's share (%)	56	59	55	59	51	50	52	51	54	55
Eggs, large grade A										
Retail price (cts./doz.)	78.3	77.0	84.1	78.5	89.0	88.9	96.3	98.6	103.4	89.0
Farm value (cts./1.03 doz.)	53.2	50.8	58.0	50.6	58.8	61.6	70.8	66.8	71.5	56.9
Farm-retail spread (cts.)	25.1	26.2	26.1	27.9	30.2	27.3	25.5	31.8	31.9	32.1
Farmer's share (%)	68	66	69	64	66	69	74	68	69	64
Bread, white:										
Retail price (cts./lb.)	34.5	36.0	35.3	35.2	35.3	35.3	35.2	35.4	35.3	35.2
Farm value (cts./0.867 lb. wheat)	5.4	4.5	3.8	4.5	3.0	2.8	2.8	2.7	2.8	2.8
Farm value (cts. for all farm ingredients)	7.9	6.8	5.6	6.4	4.7	4.4	4.4	4.4	4.6	4.7
Farm-retail spread (cts.)	26.6	29.2	29.7	28.8	30.6	30.9	30.8	31.0	30.7	30.5
Farmer's share (%)	23	19	16	18	13	12	12	12	13	13
Lettuce:										
Retail price (cts./head)	42.3	41.7	47.7	38.2	70.1	59.0	43.3	46.8	48.4	43.2
Farm value (cts./1.88 lbs.)	13.2	13.8	17.1	18.1	30.3	18.4	14.0	20.9	16.2	15.5
Farm-retail spread (cts.)	29.1	27.9	30.6	20.1	39.8	40.6	29.3	25.7	32.2	27.7
Farmer's share (%)	31	33	36	47	43	31	32	45	33	36
Potatoes:										
Retail price (cts./10 lbs.)	166.6	134.4	145.9	154.1	119.6	119.7	122.2	120.9	142.0	144.8
Farm value (cts./10.42 lbs.)	59.4	42.2	43.8	51.6	31.8	31.1	41.7	35.4	37.1	38.6
Farm-retail spread (cts.)	107.2	92.2	102.1	102.5	87.8	88.6	80.5	85.5	104.9	106.2
Farmer's share (%)	36	31	30	33	27	26	34	29	26	27
Tomatoes:										
Retail price (cts./lb.)	54.8	57.9	57.7	57.4	59.3	61.5	64.7	62.4	82.6	70.9
Farm value (cts./1.98 lbs.)	21.0	23.8	23.8	25.6	27.6	33.3	24.8	26.8	38.2	37.5
Farm-retail spread (cts.)	33.8	34.1	33.9	31.8	31.7	28.2	39.9	35.6	44.4	33.4
Farmer's share (%)	38	41	41	45	47	54	38	43	46	53
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	25.9	28.2	28.7	29.1	28.0	27.6	28.0	28.0	28.8	32.1
Farm value (cts./3.08 lbs.)	9.2	8.6	10.7	10.3	11.0	11.0	11.0	10.1	9.3	8.9
Farm-retail spread (cts.)	16.7	19.6	18.0	18.8	17.0	16.6	17.0	17.9	19.5	23.2
Farmer's share (%)	36	30	37	35	39	40	39	36	32	28
Margarine:										
Retail price (cts./lb.)	57.4	62.9	52.6	53.5	52.9	52.6	53.0	53.0	52.9	53.2
Farm value (cts. for veg. oil and NFDM)	27.8	21.1	16.5	14.6	17.6	19.0	18.0	17.3	19.6	22.9
Farm-retail spread (cts.)	29.6	41.8	36.1	38.9	35.3	33.6	35.0	35.7	33.3	30.3
Farmer's share (%)	48	34	31	27	33	36	34	33	37	43

¹ Some 1976 monthly retail prices were adjusted to January 1977 benchmark level. ² For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. ³ Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from BLS and food chain prices. ⁴ For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing, and transportation to city where consumed. ^p Preliminary.

Farm-retail spreads for selected foods

Commodities in retail units	First Quarter											
	Retail price (cents)			Farm value (cents)			Farm-retail spread (cents)			Farmer's share (percent)		
	1975	1976	1977 ¹	1975	1976	1977 ¹	1975	1976	1977 ¹	1975	1976	1977 ¹
Beef, Choice (lb.)	129.6	142.1	135.1	75.2	77.7	74.3	54.4	64.4	60.8	58	55	55
Lamb, Choice (lb.)	155.9	179.5	181.9	84.5	103.7	101.5	71.4	75.8	80.4	54	58	56
Pork (lb.)	114.4	141.5	120.6	68.3	86.4	68.9	46.1	55.1	51.7	60	61	57
Butter (lb.)	94.1	123.5	127.0	56.8	78.3	79.5	37.3	45.2	47.5	60	63	63
Cheese, American process (% lb.)	73.5	85.8	84.4	32.6	40.9	39.1	40.9	44.9	45.3	44	48	46
Ice cream (% gal.)	122.2	125.8	131.2	41.3	45.4	44.1	80.9	80.4	87.1	34	36	34
Milk, evaporated (14% oz.)	30.6	33.8	35.1	14.1	16.6	16.3	16.5	17.2	18.8	46	49	46
Milk, fresh:												
Sold in stores (% gal.)	79.2	82.6	83.5	40.0	47.5	44.6	39.2	35.1	38.9	51	58	53
Chicken, frying (lb.)	58.9	61.9	58.3	32.6	35.1	31.3	26.3	26.8	27.0	55	57	54
Turkey (lb.)	70.5	75.0	70.6	40.2	41.9	42.3	30.3	33.1	28.3	57	56	60
Eggs, large Grade A (doz.)	81.0	86.0	97.0	53.9	58.2	65.1	27.1	27.8	31.9	67	68	67
Bread, white:												
All ingredients (lb.)	37.3	35.3	35.3	7.5	6.2	4.6	29.8	29.1	30.7	20	18	13
Wheat (lb.)	—	—	—	4.7	4.4	2.8	—	—	—	13	12	8
Bread, whole wheat (lb.)	57.2	56.9	58.9	6.3	5.7	4.4	50.9	51.2	54.5	11	10	7
Cookies, sandwich (lb.)	96.5	94.6	97.8	18.1	10.6	10.3	78.4	84.0	87.5	19	11	11
Corn flakes (12 oz.)	51.9	51.7	52.5	4.8	4.2	4.0	47.1	47.5	48.5	9	8	8
Flour, white (5 lb.)	104.1	95.1	87.1	38.3	34.9	22.5	65.8	60.2	64.6	37	37	26
Rice, long grain (lb.)	47.4	44.7	40.1	16.1	10.5	9.8	31.3	34.2	30.3	34	23	24
Apples (lb.)	31.5	29.2	36.6	10.7	8.8	11.8	20.8	20.4	24.8	34	30	32
Grapefruit (ea.)	18.9	18.6	21.5	4.2	3.6	4.2	14.7	15.0	17.3	22	19	20
Lemons (lb.)	42.4	46.2	41.0	8.4	9.9	8.1	34.0	36.3	32.9	20	21	20
Oranges (doz.)	108.0	108.7	115.0	24.9	22.0	23.3	83.1	86.7	91.7	23	20	20
Cabbage (lb.)	17.1	17.9	34.5	6.0	5.5	17.9	11.1	12.4	16.6	35	31	52
Carrots (lb.)	27.3	23.9	37.8	10.0	6.6	14.5	17.3	17.3	23.3	37	28	38
Celery (lb.)	23.5	35.6	40.2	6.6	11.4	17.3	16.9	24.2	22.9	28	32	43
Cucumbers (lb.)	51.2	40.6	47.8	16.6	14.1	14.5	34.6	26.5	33.3	32	35	30
Lettuce (head)	42.8	40.4	46.1	14.9	15.3	17.5	27.9	25.1	28.6	35	38	38
Onions (lb.)	16.2	24.5	28.7	5.7	10.2	14.0	10.5	14.3	14.7	35	42	49
Peppers, green (lb.)	67.3	58.6	82.1	31.7	27.0	35.6	35.6	31.6	46.5	47	46	43
Potatoes (10 lb.)	109.3	149.9	135.9	32.3	49.3	37.0	77.0	100.6	98.9	30	33	27
Tomatoes (lb.)	61.3	57.4	72.0	24.6	22.0	34.2	36.7	35.4	37.8	40	38	48
Peaches, canned (No. 2½)	60.1	58.4	60.4	17.3	14.3	13.2	42.8	44.1	47.2	29	24	22
Pears, canned (No. 2½)	75.5	72.4	70.9	21.4	15.4	13.9	54.1	57.0	57.0	28	21	20
Beets, canned (No. 303)	32.9	32.2	33.0	2.4	2.4	2.4	30.5	29.8	30.6	7	7	7
Corn, canned (No. 303)	38.4	36.4	34.1	5.4	5.6	5.6	33.0	30.8	28.5	14	15	16
Peas, canned (No. 303)	39.1	38.5	38.2	6.8	8.0	8.0	32.3	30.5	30.2	17	21	21
Tomatoes, canned (No. 303)	34.6	35.2	36.3	4.9	4.8	4.8	29.7	30.4	31.5	14	14	13
Lemonade, frozen (8-oz. can)	22.4	23.6	23.0	7.2	4.0	3.9	15.2	19.6	19.1	32	17	17
Orange juice, frozen (8-oz. can)	27.8	29.2	29.6	8.8	9.7	9.4	19.0	19.5	20.2	32	33	32
Potatoes, french fried, frozen (9 oz.)	25.8	27.0	27.5	4.8	5.4	4.2	21.0	21.6	23.3	19	20	15
Peas, frozen (10 oz.)	34.3	35.3	35.4	7.0	7.3	7.3	27.3	28.0	28.1	20	21	21
Beans, dried (lb.)	44.2	54.4	41.4	15.9	24.6	14.5	28.3	29.8	26.9	36	45	35
Margarine (lb.)	70.6	54.8	53.0	25.6	14.4	19.9	45.0	40.4	33.1	36	26	38
Peanut butter (12-oz. jar)	68.8	70.6	71.9	23.6	25.2	27.1	45.2	45.4	44.8	34	36	38
Salad and cooking oil (24-oz. bottle)	126.7	98.5	98.9	43.0	23.9	32.2	83.7	74.6	66.7	34	24	33
Vegetable shortening (3 lb.)	211.2	160.5	157.4	90.6	49.8	69.2	120.6	110.7	88.2	43	31	44
Sugar (5 lb.)	271.4	126.6	107.4	124.0	51.5	42.2	147.4	75.1	65.2	46	41	39
Spaghetti, canned (15½-oz. can)	26.7	26.6	27.3	4.1	3.8	3.1	22.6	22.8	24.2	15	14	11

¹ Preliminary.

Price spreads for beef and pork

Item	Retail Price per pound ¹	Carcass value ²	Gross farm values ³	Byproduct allowance ⁴	Net value ⁵	Farm-retail spread			Farmer's share
						Total	Carcass-retail ⁶	Farm-carcass ⁷	
Cents									
Beef, Choice grade									Percent
1971	104.3	75.7	72.3	4.5	67.8	36.5	28.6	7.9	65
1972	113.8	80.1	79.8	7.4	72.4	41.4	33.7	7.7	64
1973	135.5	98.1	100.0	10.1	89.9	45.6	37.4	8.2	66
1974	138.8	97.4	93.7	7.6	86.1	52.7	41.4	11.3	62
1975	146.0	105.5	99.9	7.0	92.9	53.1	40.5	12.6	64
1976	138.9	88.6	86.3	8.4	77.9	61.0	50.3	10.7	56
1975									
Jan.-Mar.	129.6	86.6	80.3	5.1	75.2	54.4	43.0	11.4	58
Apr.-June	146.5	113.4	108.4	7.1	101.3	45.2	33.1	12.1	69
July-Sept.	156.4	115.4	108.8	7.9	100.9	55.5	41.0	14.5	65
Oct.-Dec.	151.4	106.5	102.2	7.9	94.3	57.1	44.9	12.2	62
1977									
Jan.-Mar.	142.1	89.8	85.3	7.6	77.7	64.4	52.3	12.1	56
Apr.-June	141.5	93.0	91.9	8.8	83.1	58.4	48.5	9.9	59
July-Sept.	136.1	83.8	82.1	9.0	73.1	63.0	52.3	10.7	54
Oct.-Dec.	136.0	88.0	85.8	8.0	77.8	58.2	48.0	10.2	57
1977									
Jan.-Mar.	135.1	85.3	83.3	9.0	74.3	60.8	49.8	11.0	55

See footnotes at end of table.

Price spreads for beef and pork—Continued

Item	Retail price per pound ¹	Carcass value ²	Gross farm values ³	Byproduct allowance ⁴	Net value ⁵	Farm-retail spread			Farmer's share
						Total	Carcass-retail ⁶	Farm-carcass ⁷	
Cents									
Pork									Percent
1971	70.3	52.1	35.1	2.8	32.3	38.0	18.2	19.8	46
1972	83.2	65.3	51.2	3.5	47.7	35.5	17.9	17.6	57
1973	109.8	87.3	78.2	6.7	71.5	38.3	22.5	15.8	65
1974	108.2	77.4	68.0	7.2	60.8	47.4	30.8	16.6	56
1975	135.0	103.8	94.8	7.9	86.9	48.1	31.2	16.9	64
1976	134.3	93.6	84.4	6.0	78.4	55.9	40.7	15.2	58
1975									
Jan.-Mar.	114.4	85.7	75.6	7.3	68.3	46.1	28.7	17.4	60
Apr.-June	123.1	96.7	88.9	7.4	81.5	41.6	26.4	15.2	66
July-Sept.	149.2	118.9	114.0	9.7	104.3	44.9	30.3	14.6	70
Oct.-Dec.	153.4	114.1	100.9	7.3	93.6	59.8	39.3	20.5	61
1976									
Jan.-Mar.	141.6	100.3	92.6	6.2	86.4	55.1	41.2	13.9	61
Apr.-June	138.5	100.6	95.0	6.3	88.7	49.8	37.9	11.9	64
July-Sept.	137.4	93.1	84.5	6.1	78.4	59.0	44.3	14.7	57
Oct.-Dec.	119.8	80.2	65.5	5.0	60.5	59.3	39.6	19.7	50
1977									
Jan.-Mar.	120.6	84.1	75.0	6.1	68.9	51.7	36.5	15.2	57

¹ Composite monthly average prices of all cuts adjusted for volume sold at special prices—derived from BLS and food chain prices. ² For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 and later data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. ³ Payment to farmers for quantity of live animal equivalent to 1 retail pound: Beef, 2.28 lb. and pork 1.97 lb. ⁴ Portion of gross farm value attributed to edible and inedible byproducts. ⁵ Gross farm value minus byproduct allowance. ⁶ Includes not only gross margin for retailing but also charges made for other marketing services such as fabricating, wholesaling, and in-city transportation. ⁷ Includes charges made for livestock marketing, processing, and transportation to city where consumed.

Food marketing: Spreads, costs, and profit rates

Year	Farm-retail Price spread	Intermediate goods and services ¹				Hourly earning ²	Interest rate ³	Profit rates after taxes					
		Total	Containers packaging	Fuel, power, and light	Food retailers ⁴			Food manufacturers ⁵					
								Sales	Equity	Sales	Equity		
1967=100													
1970	113.4	113	108	108	3.03	8.48	—	—	—	2.5	10.8		
1971	116.5	120	113	120	3.24	6.32	—	—	—	2.6	11.0		
1972	118.9	126	117	126	3.45	5.82	—	—	—	2.6	11.2		
1973	126.5	134	123	138	3.66	8.30	—	—	—	2.6	12.8		
1974	151.5	159	151	202	3.99	11.28	—	—	—	2.9	13.9		
1975	165.1	180	174	237	4.40	8.65	0.5	6.7	—	3.2	14.4		
1976 ⁶	173.2	193	184	258	4.77	7.52	—	—	—	3.4	14.9		
1974													
I	142.2	148	131	175	3.85	9.91	—	—	—	2.7	12.4		
II	154.6	155	145	200	3.94	11.15	—	—	—	2.7	12.8		
III	152.5	166	161	212	4.04	12.40	.9	11.7	—	3.2	15.4		
IV	156.7	170	169	220	4.14	11.64	1.0	12.1	—	3.0	14.7		
1975													
I	166.1	176	173	231	4.28	9.94	.4	-5.5	—	2.4	10.7		
II	161.9	178	174	237	4.34	8.16	.8	10.5	—	3.3	15.0		
III	163.4	181	174	238	4.43	8.22	.8	9.9	—	3.7	17.2		
IV	168.8	184	176	241	4.55	8.29	.9	11.3	—	3.2	14.0		
1976 ⁶													
I	172.5	186	179	243	4.65	7.54	.6	7.2	—	3.1	13.3		
II	170.4	191	185	252	4.74	7.44	.9	11.6	—	3.7	16.3		
III	174.1	194	185	260	4.81	7.80	.7	8.9	—	3.8	16.8		
IV	176.0	199	187	278	4.90	7.48	—	—	—	3.1	13.1		
1977 ⁶													
I	170.0	202	189	301	—	—	—	—	—	—	—		

¹ Represents all goods purchased by food marketing firms except raw materials and plant and equipment, and all services except those performed by employees, calculated from wholesale price relatives. ² Weighted composite of production employees in food manufacturing and nonsupervisory employees in wholesale and retail trade, calculated from data of the U.S. Department of Labor. ³ Bank rates on short-term business loans in 35 centers, Department of Commerce. ⁴ Federal Trade Commission. The data are based on reports from all food retailing corporations having more than \$100 million in annual sales, and whose activities are at least 75 percent specialized in supermarket operations. Comparable data not available prior to third quarter 1974. ⁵ "Quarterly Financial Report," Federal Trade Commission. Data represent national aggregate estimates for corporations based upon a sample of company reports. Data since the fourth quarter of 1973 are imperfectly comparable with prior data because of changes in accounting methods. ⁶ Preliminary.

Market basket of farm foods¹

Product group	Annual			1976 ³				1977 ²	
	1974	1975	1976 ²	I	II	III	IV	I	
Dollars									
Retail cost									
Meat	532.67	582.68	583.96	601.85	588.46	590.74	553.46	558.03	
Dairy	296.33	302.65	331.49	328.45	327.92	330.89	337.46	335.80	
Poultry	68.32	75.42	72.51	74.93	73.73	73.83	67.68	71.08	
Eggs	56.90	55.24	61.03	62.23	55.47	62.43	66.71	70.80	
Bakery and cereal	277.30	304.29	299.32	300.13	299.84	298.66	299.18	300.30	
Fresh fruits	73.15	74.82	75.51	66.87	74.06	80.23	79.33	80.36	
Fresh vegetables	118.84	114.07	120.87	121.12	125.46	117.70	118.80	141.76	
Proc. fruits and veg.	165.99	187.40	189.54	190.47	188.98	188.33	190.60	192.51	
Fats and oils	75.74	81.39	69.52	71.79	68.38	67.67	70.30	71.31	
Miscellaneous	84.32	98.12	91.69	92.01	92.42	91.81	91.39	91.50	
Total	1,749.56	1,876.08	1,895.44	1,909.85	1,894.72	1,902.29	1,874.91	1,913.45	
Farm value									
Meat	299.16	347.51	314.56	327.65	339.04	308.71	280.62	296.03	
Dairy	145.81	149.50	169.93	171.78	167.10	172.35	168.83	166.06	
Poultry	38.24	44.21	39.82	42.44	40.17	41.84	34.91	38.57	
Eggs	38.65	36.46	42.08	42.15	36.51	43.30	46.52	47.49	
Bakery and cereal:									
All ingredients	69.15	56.60	46.07	50.63	49.60	45.34	38.93	39.91	
Grain	48.76	39.30	32.67	37.08	36.05	31.82	26.02	25.93	
Fresh fruits	21.79	22.80	21.43	17.75	19.95	24.15	24.07	22.57	
Fresh vegetables	39.79	39.58	40.22	42.20	39.64	36.84	41.13	55.76	
Proc. fruits and veg.	36.37	40.04	38.84	39.18	37.74	38.48	37.61	36.43	
Fats and oils	35.49	27.76	22.46	20.00	19.92	25.29	24.83	26.89	
Miscellaneous	22.87	19.64	13.93	15.13	14.93	13.19	11.92	12.58	
Total	747.32	784.10	749.34	768.91	764.60	749.49	709.37	742.29	
Farm-retail spread									
Meat	233.51	235.17	269.40	274.20	249.42	282.03	272.84	262.00	
Dairy	150.52	153.15	161.56	156.67	160.82	158.54	168.63	169.74	
Poultry	30.08	31.21	32.69	32.49	33.56	31.99	32.77	32.51	
Eggs	18.25	18.78	18.95	20.08	18.96	19.13	20.19	23.31	
Bakery and cereal	208.15	247.69	253.25	249.50	250.24	253.32	260.25	260.39	
Fresh fruits	51.36	52.02	54.08	49.12	54.11	56.08	55.26	57.79	
Fresh vegetables	79.05	74.49	80.65	78.92	85.82	80.86	77.67	86.00	
Proc. fruits and veg.	129.62	147.36	150.70	151.29	151.24	149.85	152.99	156.08	
Fats and oils	40.25	53.63	47.06	51.79	48.46	42.38	45.47	44.42	
Miscellaneous	61.45	78.48	77.76	76.88	77.49	78.62	79.47	78.92	
Total	1,002.24	1,091.98	1,146.10	1,140.94	1,130.12	1,152.80	1,165.54	1,171.16	
Percent									
Farmer's share									
Meat	56	60	54	54	58	52	51	53	
Dairy	49	49	51	52	51	52	50	49	
Poultry	56	59	55	57	54	57	52	54	
Eggs	68	66	69	68	66	69	70	67	
Bakery and cereal:									
All ingredients	25	19	15	17	17	15	13	13	
Grain	18	13	11	12	12	11	9	9	
Fresh fruits	30	30	28	27	27	30	30	28	
Fresh vegetables	33	34	33	35	32	31	34	39	
Proc. fruits and veg.	22	21	20	21	20	20	20	19	
Fats and oils	47	34	32	28	29	37	35	38	
Miscellaneous	27	20	15	16	16	14	13	14	
Average	43	42	40	40	40	39	38	39	

¹ Annual rate. See footnote 1 on monthly farm-retail price spread table (page 26) for description of data. ² Preliminary. ³ Revised.

Livestock and Products: Prices, Supplies, and Use

Dairy:

Items	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Milk production:										
Total milk (mil. lb.)	115,553	115,326	120,356	10,302	9,643	9,233	9,678	9,910	9,351	10,562
Milk per cow (lb.)	10,300	10,352	10,893	931	874	836	877	899	849	960
Number of milk cows (thous.)	11,219	11,140	11,049	11,060	11,039	11,039	11,032	11,023	11,013	11,003
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt.) ¹	7.06	7.62	8.48	8.60	8.26	8.26	8.25	8.19	8.16	8.31
Price of 16% dairy ration (\$/ton)	138	134	141	136	145	143	145	147	151	148
Milk-feed price ratio (lb.) ²	1.34	1.40	1.57	1.64	1.60	1.65	1.57	1.50	1.48	1.47
Stocks, beginning:										
Total milk equiv. (mil. lb.) ³	5,207	5,886	3,844	3,899	6,735	6,363	5,815	5,708	6,207	6,588
Commercial (mil. lb.)	4,732	5,576	3,719	3,831	6,676	6,288	5,621	5,299	5,388	5,403
Government (mil. lb.)	476	310	124	68	60	74	194	410	819	1,185
Imports, total milk equiv. (mil. lb.) ³	2,923	1,669	1,938	139	149	204	366	251	115	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	1,346	2,036	1,236	4.7	107.7	382.9	592.5	846.3	882.7	416.8
Butter:										
Production (mil. lb.)	961.7	980.5	983.8	89.3	78.2	77.3	91.8	105.6	96.2	—
Stocks, beginning (mil. lb.)	46.4	49.2	10.9	16.5	68.1	60.7	47.3	47.1	67.6	94.3
Wholesale price, Grade A Chicago (cts./lb.)	65.7	79.4	92.0	86.0	90.8	90.8	90.8	90.8	90.8	92.7
USDA net removals (mil. lb.)	32.7	63.4	39.4	0	4.9	14.2	20.0	32.4	31.5	11.6
Commercial disappearance (mil. lb.)	929.9	947.7	924.2	74.8	81.4	82.3	82.1	72.0	46.2	—
American cheeses:										
Production (mil. lb.)	1,858.6	1,654.5	2,046.7	165.8	151.9	143.4	164.8	166.8	158.8	—
Stocks, beginning (mil. lb.)	290.3	420.9	307.8	302.3	456.4	435.7	414.1	411.4	417.1	403.5
Wholesale price, Wisconsin assembly pt. (cts./lb.)	79.9	86.6	96.3	94.4	93.3	92.9	92.8	92.6	92.6	93.8
USDA net removals (mil. lb.)	60.3	68.2	38.0	0	.4	8.7	18.0	17.8	23.3	17.8
Commercial disappearance (mil. lb.)	1,780.6	1,717.0	1,918.8	158.7	172.6	159.3	159.1	149.8	155.8	—
Other cheese:										
Production (mil. lb.)	1,078.8	1,156.7	1,280.4	109.1	104.4	108.7	110.1	98.0	95.2	—
Stocks, beginning (mil. lb.)	67.5	73.1	60.8	60.0	66.3	65.9	67.9	67.1	68.7	67.1
Commercial disappearance (mil. lb.)	1,276.5	1,331.8	1,467.0	126.0	121.2	127.1	144.7	112.0	107.2	—
Nonfat dry milk:										
Production (mil. lb.)	1,019.9	994.0	937.6	78.4	61.6	54.5	72.8	71.5	72.3	—
Stocks, beginning (mil. lb.)	74.6	293.2	468.9	460.0	494.7	496.6	479.7	480.6	461.6	469.5
Wholesale price, avg. manf. (cts./lb.)	58.6	63.3	63.5	63.5	63.3	63.2	62.5	62.4	62.3	—
USDA net removals (mil. lb.)	265.0	394.5	157.1	5.9	8.9	19.4	17.6	24.8	21.3	2.4
Commercial disappearance (mil. lb.)	809.9	689.5	735.4	66.9	57.3	45.8	50.7	53.0	54.0	—
Frozen dessert production (mil. gal.) ⁴	1,128.0	1,176.0	1,136.9	102.0	81.6	75.8	72.9	75.7	75.7	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbet.

Poultry and eggs:

Items	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Eggs										
Farm production (mil.)	65,927	64,379	64,849	5,570	5,454	5,320	5,545	5,470	4,936	5,553
Average number of layers on farms (mil.)	286	277	276	278	277	279	281	280	277	275
Rate of lay (eggs per layer)	231	233	235	20.0	19.7	19.0	19.7	19.6	17.8	20.2
Wholesale price, New York, grade A										
large (cts./doz.)	58.2	57.8	65.0	56.8	67.5	75.2	78.2	75.1	69.9	63.1
Price of laying feed (\$/ton)	153.8	147.2	151.2	145	154	151	153	156	161	161
Egg-feed price ratio (lb.) ¹	6.9	7.2	7.9	7.5	7.9	8.6	9.1	8.3	8.2	7.3
Stocks, beginning of period:										
Shell (thous. cases)	34	36	22	21	50	32	25	28	29	44
Frozen (mil. lb.)	43.2	54.2	36.3	28.7	28.7	28.9	25.5	26.1	26.9	24.9
Replacement chicks hatched (mil.)	473.4	453.8	492.2	50.1	37.0	36.3	36.6	40.2	41.3	51.0
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,917	7,966	8,987	771.9	769.5	699.2	716.8	713.8	659.2	—
Wholesale price, 9-city, (cts./lb.)	38.2	45.1	40.2	41.9	36.4	34.9	35.0	38.8	42.1	41.9
Price of broiler grower feed (\$/ton)	168.6	163.4	168.3	160	170	169	174	174	178	179
Broiler-feed price ratio (lb.) ¹	2.6	3.2	2.8	3.0	2.5	2.3	2.2	2.5	2.7	2.7
Stocks, beginning of period (mil. lb.)	33.4	37.2	22.3	19.7	24.3	24.3	29.1	32.9	27.4	24.6
Average weekly placements of broiler chicks, 21 States (mil.)	56.5	57.7	63.6	66.4	58.4	59.5	61.2	63.6	64.8	69.5
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,835.8	1,716.1	1,950.1	68.6	256.6	261.5	146.4	70.5	58.7	—
Wholesale price, New York, 8-16 lb.										
Young hens (cts./lb.)	47.2	53.2	48.8	51.7	47.8	48.4	50.6	48.7	49.7	52.3
Price of turkey grower feed (\$/ton)	172.7	166.8	173.5	165	177	177	179	182	186	188
Turkey-feed price ratio (lb.) ¹	3.2	4.0	3.7	3.9	3.5	3.5	3.7	3.6	3.5	3.6
Stocks, beginning of period (mil. lb.)	281.0	275.0	195.2	160.7	459.7	512.3	298.8	203.4	190.2	167.8
Poults hatched (mil.)	140.0	137.1	149.5	18.7	4.9	6.1	7.6	10.8	12.7	18.1

¹ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

Items	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	9,353	6,369	8,537	8,121	6,578	7,302	8,000	8,213	7,873	7,556
Placed on feed (thou. head) ²	15,861	18,095	18,975	1,380	2,301	2,159	1,769	1,369	1,362	1,526
Marketings (thou. head)	17,380	14,988	18,177	1,841	1,491	1,343	1,473	1,602	1,567	1,690
Other disappearance (thou. head)	1,465	939	1,133	132	86	118	94	107	112	112
Beef steer-corn price ratio, Omaha (bu.) ³	13.7	15.8	15.2	13.8	16.1	18.0	17.4	16.1	16.0	15.9
Hog-corn price ratio, Omaha (bu.) ³	11.3	16.9	16.5	17.7	13.7	14.4	16.4	16.4	16.8	15.9
Commercial slaughter (thou. head)										
Cattle	36,812	40,911	42,645	3,354	3,659	3,491	3,509	3,546	3,299	3,616
Steers	19,680	17,819	18,881	1,506	1,573	1,438	1,488	1,539	1,488	1,711
Heifers	8,798	10,438	12,155	999	1,058	967	968	1,021	934	1,023
Cows	7,514	11,557	10,615	765	948	1,002	979	919	808	806
Bulls and stags	820	1,098	994	84	80	84	74	67	69	76
Calves	2,987	5,209	5,351	496	480	466	491	478	443	519
Sheep and lambs	8,847	7,835	6,719	590	574	538	551	514	474	595
Hogs	81,762	68,687	73,783	6,612	7,211	7,456	6,880	6,117	6,096	7,545
Commercial production (mil. lb.)										
Beef	22,844	23,673	25,662	2,318	2,202	2,096	2,113	2,160	1,981	2,188
Veal	442	827	813	71	75	72	77	77	63	71
Lamb and mutton	454	399	361	33	31	30	31	29	27	34
Pork	13,583	11,314	12,220	1,092	1,188	1,255	1,147	1,007	1,013	1,256
Market prices								Dol. per 100 pounds		
Slaughter cattle:										
Choice steers, Omaha	41.89	44.61	39.11	36.14	37.88	39.15	39.96	38.38	37.98	37.28
Utility cows, Omaha	25.56	21.09	25.31	27.45	22.72	20.59	21.62	22.95	23.88	26.67
Choice vealers, S. St. Paul	49.63	40.44	45.18	50.58	47.25	44.90	49.58	53.12	54.88	56.26
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	37.88	33.91	39.40	39.69	36.72	36.26	36.23	36.49	37.86	38.95
Slaughter hogs:										
Barrows and Gilts, No. 1&2, Omaha ⁴	36.85	50.12	44.70	47.23	33.10	32.79	39.03	40.45	41.08	38.11
Barrows and Gilts, 7-markets	35.12	48.32	43.11	46.71	32.66	32.05	38.05	39.52	40.18	37.53
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	25.13	44.80	36.24	47.92	21.75	21.17	24.04	23.84	33.24	38.69
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	40.51	44.45	49.87	56.25	44.25	45.50	47.69	52.00	51.25	55.70
Ewes, Good, San Angelo	15.74	15.34	17.69	18.90	16.12	—	16.88	20.75	19.25	22.70
Feeder lambs:										
Choice, San Angelo	36.52	41.40	51.28	56.30	47.31	49.67	51.19	53.56	54.81	56.50
Wholesale meat prices, Midwest ⁵										
Choice steer beef, 600-700 lb.	67.76	72.55	61.00	56.97	58.36	60.85	62.52	60.04	58.92	57.38
Canner and Cutter cow beef	53.48	42.90	52.00	56.44	46.44	43.84	47.60	49.66	51.09	55.05
Pork loins, 8-14 lb.	73.60	92.69	86.45	85.25	72.55	66.83	73.37	85.32	80.66	72.36
Pork bellies, 12-14 lb.	52.04	78.52	65.27	67.48	47.94	42.58	45.71	51.62	52.08	48.91
Hams, skinned, 14-17 lb.	64.11	84.06	79.79	85.48	69.67	80.69	84.56	69.15	72.82	75.13
	Annual			1975		1976			1977	
	1974	1975	1976	IV	I	II	III	IV	I	II

Cattle on feed (23-States):										
Number on feed (thou. head) ¹	13,067	9,619	12,327	9,301	12,327	10,895	10,053	9,280	11,945	10,618
Placed on feed (thou. head) ²	22,046	24,691	25,499	8,358	5,427	5,615	5,702	8,767	5,597	—
Marketings (thou. head)	23,330	20,504	24,175	4,950	6,346	5,939	6,201	5,689	6,442	7,601
Other disappearance (thou. head)	2,164	1,479	1,718	382	513	518	274	413	482	—
Hogs and pigs (14-States): ⁴										
Inventory (thou. head) ¹	52,825	47,170	41,855	41,535	41,855	40,865	46,085	48,785	47,020	44,200
Breeding (thou. head) ¹	7,445	6,283	6,368	6,011	6,388	6,706	7,049	6,813	6,774	7,060
Market (thou. head) ¹	45,380	40,887	35,487	35,524	35,487	34,159	39,036	41,972	40,246	37,140
Farrowings (thou. head)	10,207	8,397	10,002	2,103	2,049	2,910	2,523	2,520	2,289	2,999
Pig crop (thou. head)	71,958	60,211	72,399	15,182	14,566	21,478	18,416	17,939	15,595	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago, annual 1975 midwest markets. ⁶ Annual is Dec. preceding year to Nov. listed; quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Wool:

	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
U.S. wool price, Boston ¹ (cts./lb.)	176	150	182	174	193	193	188	188	188	182
Imported wool price, Boston ² (cts./lb.)	213	176	214	(³)	228	220	222	224	222	224
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	74,856	94,117	106,629	11,996	7,943	6,869	8,984	8,218	8,253	—
Carpet wool (thou. lb.)	18,595	15,908	15,117	1,357	1,191	1,289	1,491	1,212	1,051	—

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. ³ No quotations reported.

Crops and Products: Prices, Supplies, and Use

Supply and utilization of major crops¹

Commodity	1975/76	Domestic measure ²				Metric measure ²							
		1976/77 estimated	1977/78 projected*		1975/76	1976/77 estimated	1977/78 projected*						
			Alt. I	Alt. II			Alt. I	Alt. II					
Wheat:													
Area													
Planted	75.1	80.2	—	—	30.4	32.5	—	—	—				
Harvested	69.6	70.8	—	—	28.2	28.7	—	—	—				
Mil. acres													
Yield ³ per harvested unit													
	30.7	30.3	—	—	2.1	2.0	—	—	—				
8u. per acre													
Beginning stocks													
Production	435	664	1,120	1,120	11.8	18.1	30.5	30.5	30.5				
Imports	2,135	2,147	2,050	1,750	58.1	58.4	55.7	47.6	47.6				
Supply, total	2,572	2,813	3,172	2,872	70.0	76.6	86.3	78.2	78.2				
Domestic	735	743	818	897	20.0	20.2	22.2	24.4	24.4				
Exports	1,173	950	900	1,200	31.9	25.9	24.5	32.7	32.7				
Use, total	1,908	1,693	1,718	2,097	51.9	46.1	46.8	57.1	57.1				
Ending stocks	664	1,120	1,454	775	18.1	30.5	39.6	21.1	21.1				
Mil. bu.													
Price received by farmers													
Price, Kansas City, No. 1 HRW ⁴	3.55	3.74	2.85	2.25-2.35	2.75-3.25	130.44	104.72	83.86	101-119				
Mil. metric tons													
Rice:													
Area													
Allotment	1.80	1.80	1.80	1.80	.73	.73	.73	.73	.73				
Planted	2.82	2.51	—	—	1.14	1.02	—	—	—				
Harvested	2.80	2.50	—	—	1.13	1.01	—	—	—				
Mil. acres													
Yield ⁵ per harvested unit													
	4,567	4,679	—	—	5.12	5.24	—	—	—				
Lb. per acre													
Mil. metric tons													
Beginning stocks													
Production	7.1	36.9	45.0	45.0	.32	1.67	2.04	2.04	2.04				
Imports	128.0	117.0	100.8	97.4	5.80	5.30	4.57	4.42	4.42				
Supply, total	135.1	153.9	145.8	142.4	6.12	6.97	6.61	6.46	6.46				
Domestic	40.2	42.8	44.1	44.1	1.82	1.94	2.00	2.00	2.00				
Exports	56.5	66.1	63.2	67.3	2.56	3.00	2.87	3.05	3.05				
Use, total	96.7	108.9	107.3	111.4	4.39	4.94	4.87	5.05	5.05				
Ending stocks	36.9	45.0	38.5	31.0	1.67	2.04	1.74	1.41	1.41				
Difference unaccounted	+1.5	—	—	—	+.06	—	—	—	—				
Mil. cwt.													
Price received by farmers													
Price, long-grain milled, S.W. La.	8.34	17.20	6.60-6.80	7.00-7.50	8.00-9.00	183.86	146-150	154-165	176.198				
Mil. metric tons													
Feed grains:⁶													
Area													
Planted	123.4	129.3	—	—	49.9	52.3	—	—	—				
Harvested	105.1	106.8	—	—	42.5	43.2	—	—	—				
Mil. acres													
Yield per harvested unit													
	1.93	1.99	—	—	4.34	4.46	—	—	—				
Tons per acre													
Mil. metric tons													
Beginning stocks													
Production	16.8	19.1	32.1	32.1	15.2	17.2	29.0	29.0	29.0				
Imports	203.3	212.4	224.1	186.9	184.4	192.7	203.3	169.6	169.6				
Supply, total	220.6	231.8	256.5	219.4	200.1	210.2	232.6	199.0	199.0				
Feed	127.6	125.3	133.0	118.2	115.8	113.7	120.7	107.3	107.3				
Food, seed, and industrial uses	18.8	19.8	20.2	20.0	17.1	18.0	18.3	18.1	18.1				
Domestic, total	146.4	145.1	153.2	138.2	132.9	131.7	139.0	125.4	125.4				
Exports	55.1	54.6	43.8	53.2	50.0	49.5	39.7	48.3	48.3				
Use, total	201.5	199.7	197.0	191.4	182.9	181.2	178.7	173.7	173.7				
Ending stocks	19.1	32.1	59.5	28.0	17.2	29.0	53.9	25.3	25.3				

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

Commodity	1975/76	Domestic measure ²			1975/76	Metric measure ²			
		1976/77 estimated	1977/78 Projected*			1976/77 estimated	1977/78 projected*		
		Alt. I	Alt. II	Alt. I	Alt. II	Alt. I	Alt. II	Alt. II	
Corn:									
Area									
Planted	78.2	84.1	—	—	31.6	34.0	—	—	
Harvested	67.2	71.1	—	—	27.2	28.8	—	—	
Yield per harvested unit									
	86.2	87.4	—	—	5.41	5.49	—	—	
Beginning stocks									
Production	359	398	849	849	9.1	10.1	21.6	21.6	
Imports	5,797	6,216	6,500	5,400	147.3	157.9	165.1	137.2	
Supply, total	6,158	6,615	7,350	6,250	156.5	168.0	186.7	158.8	
Feed	3,558	3,600	3,850	3,500	90.4	91.4	97.8	88.9	
Food, seed, and industrial uses	491	516	530	520	12.5	13.1	13.5	13.2	
Domestic, total	4,049	4,116	4,380	4,020	102.9	104.5	111.3	102.1	
Exports	1,711	1,650	1,300	1,600	43.5	41.9	33.0	40.6	
Use, total	5,760	5,766	5,680	5,620	146.4	146.4	144.3	142.7	
Ending stocks	398	849	1,670	630	10.1	21.6	42.4	16.1	
Price received by farmers									
Price, Chi., No. 2 yellow	2.54	2.25	1.75-1.80	2.25-2.75	99.99	88.58	69.71	89.108	
Soybeans:									
Area									
Planted	54.7	50.3	—	—	22.1	20.4	—	—	
Harvested	53.8	49.4	—	—	21.8	20.0	—	—	
Yield per harvested unit									
	28.8	25.6	—	—	1.94	1.72	—	—	
Beginning stocks									
Production	185	245	65	65	5.0	6.7	1.8	1.8	
Supply, total	1,546	1,265	1,625	1,360	42.1	34.4	42.6	37.0	
Crushings	1,731	1,510	1,690	1,425	47.1	41.1	46.0	38.8	
Exports	865	820	850	760	23.5	22.3	23.1	20.7	
Seed, feed, and residual	555	545	570	525	15.1	14.8	15.5	14.3	
Use, total	66	80	85	80	1.8	2.2	2.3	2.2	
Ending stocks	1,486	1,445	1,505	1,365	40.4	39.3	41.0	37.1	
Price received by farmers									
Price, Chi., No. 1 yellow	4.92	7.00-8.00	5.00-6.00	8.00-9.00	180.78	257.294	184.220	294.331	
Soybean oil:									
Beginning stocks									
Production	561	1,251	1,220	1,220	254	567	553	553	
Supply, total	9,630	8,909	9,100	8,130	4,368	4,047	4,128	3,688	
Domestic	10,191	10,160	10,320	9,350	4,623	4,609	4,681	4,241	
Exports	7,964	7,440	7,800	7,400	3,612	3,375	3,538	3,357	
Use, total	976	1,500	1,400	1,200	443	680	635	544	
Ending stocks	8,940	8,940	9,200	8,600	4,055	4,055	4,173	3,901	
Price, crude, Decatur									
	18.3	25.27	18.22	27.31	40.3	55.1-59.5	39.7-48.5	59.5-68.3	
Soybean meal:									
Beginning stocks									
Production	358	355	355	355	325	322	322	322	
Supply, total	20,754	19,400	20,200	18,050	18,828	17,599	18,325	16,375	
Domestic	21,112	19,755	20,555	18,405	19,152	17,921	18,647	16,697	
Exports	15,612	14,600	15,200	13,650	14,163	13,245	13,789	12,383	
Use, total	5,145	4,800	5,000	4,500	4,667	4,354	4,536	4,082	
Ending stocks	20,757	19,400	20,100	18,150	18,830	17,599	18,325	16,465	
Price, bulk, Decatur, 44%									
	147.77	225-250	150-175	250-275	162.90	248-276	165-193	276-303	

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

Commodity	Domestic measure ²				Metric measure ²				1976/77 estimated
	1973/74	1974/75	1975/76	1976/77 estimated	1973/74	1974/75	1975/76	1976/77 estimated	
Cotton:⁴	Mil. acres				Mil. hectares				
Area									
Planted	12.5	13.7	9.5	11.7	5.1	5.5	3.8	4.7	
Harvested	12.0	12.6	8.8	10.9	4.8	5.1	3.6	4.4	
	Lb. per acre				Metric tons per hectare				
Yield per harvested unit	620	441	453	465	.58	.49	.51	.52	
	Mil. 480-lb. bales				Mil. metric tons				
Beginning stocks	*4.2	*3.8	*5.7	*3.7	.9	.8	1.2	.8	
Production	13.0	11.5	8.3	10.6	2.8	2.5	1.8	2.3	
Supply, total ⁵	17.2	15.4	14.1	14.3	3.8	3.3	3.1	3.1	
Mill use	7.5	5.9	7.3	6.8	1.6	1.3	1.6	1.5	
Exports	6.1	3.9	3.3	4.9	1.3	.9	.7	1.1	
Use, total	13.6	9.8	10.6	11.7	3.0	2.1	2.3	2.5	
Difference unaccounted ⁶	.2	.1	.2	.2	(.8)	(.7)	(.8)	(.6)	
Ending stocks	*3.8	*5.7	3.7	2.8	.8	1.2	.8	.6	
	Cts. per lb.				Cts. per kilogram				
Price received by farmers	44.4	42.9	51.3	*66.1	97.9	94.6	113.1	*145.7	
Price, SLM, 1-1/18 in., spot	67.1	41.7	58.0	*73.4	147.9	91.9	127.9	*161.8	

¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversions between measures may not exactly convert or add due to rounding. Conversion factors: Hectare (ha.) = 2.471 acres; and 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through March 1977. ⁵ Corn, sorghum, oats, and barley. ⁶ Upland and extra long staple. ⁷ Less than 0.05. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution.

*Alternative I—Assumes relatively favorable spring and summer weather conditions in the U.S. and abroad. Alternative II—Assumes unfavorable U.S. and foreign weather conditions.

Feed grains:

	Marketing year ¹			1976				1977		
	1973/74	1974/75	1975/76	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.95	3.12	2.75	2.68	2.49	2.33	2.44	2.53	2.54	2.52
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.64	5.04	4.46	4.62	3.88	3.60	3.77	3.91	3.85	3.75
Barley, feed, Minneapolis (\$/bu.)	2.03	2.58	2.38	2.38	2.46	2.21	2.05	2.20	2.35	2.29
Barley, malting, Minneapolis (\$/bu.) ²	2.67	4.16	3.52	3.22	3.21	3.00	2.95	2.77	2.91	2.98
Exports:										
Corn (mil. bu.)	1,243	1,149	1,711	130	180	181	137	128	120	151
Feed grains (mil. short tons) ³	44.5	39.4	55.1	4.3	5.8	5.9	4.7	4.4	4.4	5.0
Marketing year¹										
	1973/74	1974/75	1975/76	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-June
Corn:										
Stocks, beginning (mil. bu.)	709	483	359	359	4,449	2,823	1,861	398	4,861	3,270
Domestic use:										
Feed (mil. bu.)	4,183	3,191	3,558	1,137	1,101	551	769	1,131	*1,058	—
Food, seed, ind. (mil. bu.)	448	450	491	117	120	92	162	125	*128	—
Feed grains:⁴										
Stocks, beginning (mil. short tons)	33.9	23.7	16.8	29.3	152.5	95.6	62.8	30.0	163.1	108.6
Domestic use:										
Feed (mil. short tons)	153.3	115.6	127.6	41.4	39.1	19.1	27.4	40.4	*35.8	—
Food, seed, ind. (mil. short tons)	17.6	17.7	18.8	4.3	4.5	4.0	6.1	4.5	*4.8	—

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 70% or better plump. ³ Aggregated data for corn, sorghum, oats and barley. ⁴ Estimated.

Food grains:

	Marketing year ¹			1976				1977		
	1973/74	1974/75	1975/76	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.51	4.20	3.74	3.81	2.77	2.62	2.64	2.70	2.73	2.63
Wheat, ONS, Minneapolis (\$/bu.) ²	4.42	4.57	3.74	3.62	2.79	2.71	2.70	2.79	2.87	2.82
Flour, Kansas City (\$/cwt.)	10.30	10.19	9.25	9.56	7.38	6.94	6.84	6.76	6.81	6.52
Flour, Minneapolis (\$/cwt.)	10.60	11.40	10.41	10.71	8.38	7.91	7.84	7.75	7.86	7.72
Rice, S.W. La. (\$/cwt.) ³	30.40	21.50	17.20	15.50	14.00	13.75	13.60	13.25	13.50	13.95
Wheat:										
Exports (mil. bu.)	1,217	1,018	1,173	79	104	56	60	54	65	60
Mill grind (mil. bu.)	551	538	572	49	51	47	47	49	48	—
Wheat flour production (mil. cwt.)	247	239	255	22	23	21	21	21	21	—
Marketing year ¹										
1973/74			1975/76			1976			1977	
Oct-Dec	Jan-Mar	Apr-May	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-June	
Wheat:										
Stocks, beginning (mil. bu.)	599	339	430	1,883	1,385	936	664	2,186	1,780	1,387
Domestic use:										
Food (mil. bu.)	530	521	559	144	140	89	188	144	*132	—
Feed and seed (mil. bu.) ⁴	221	169	170	12	62	29	39	45	*83	—
Exports (mil. bu.)	1,217	1,018	1,173	343	247	154	399	220	*179	—

¹ Beginning June 1 for wheat, and August 1 for rice. ² Ordinary Protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. * Estimated

Vegetables:

	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	6.74	5.30	5.90	7.54	4.10	4.73	4.88	6.07	6.37	6.41
Iceberg lettuce (\$/ctn.) ¹	2.82	2.71	3.57	3.77	4.94	3.54	2.82	2.58	2.78	3.76
Tomatoes (\$/ctn.) ²	5.41	5.81	6.44	8.90	6.08	8.22	6.73	6.15	7.30	—
Wholesale price index, 10 canned veg. (1967=100)	146	168	160	155	166	170	171	170	163	162
Grower price index, fresh commercial veg. (1967=100)	152	173	172	179	191	189	169	235	267	277

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale price indexes:										
Fresh fruit (1967=100)	144.0	157.8	160.4	150.9	184.6	154.1	162.3	172.1	174.3	183.2
Dried fruit (1967=100)	247.3	213.4	234.9	209.4	244.4	309.4	356.7	356.7	356.7	356.7
Canned fruit and juice (1967=100)	159.7	173.8	174.4	169.2	179.8	179.9	180.0	178.7	184.8	186.1
Frozen fruit and juice (1967=100)	144.0	156.5	156.2	159.4	152.5	152.5	147.4	144.2	186.1	184.7
F.o.b. shipping point prices:¹										
Apples, Yakima Valley (\$/ctn.) ²	n.a.	n.a.	n.a.	8.10	8.42	7.92	8.45	8.51	8.94	n.a.
Pears, Yakima Valley (\$/box) ³	n.a.	n.a.	n.a.	6.56	6.50	6.50	6.50	6.18	6.13	5.83
Oranges, U.S. avg. (\$/box)	6.79	6.76	6.70	6.16	7.86	6.64	6.65	5.91	7.48	7.33
Grapefruit, U.S. avg. (\$/box)	5.55	6.18	5.78	5.57	8.48	5.70	5.95	5.39	7.04	6.27
Stocks, beginning:										
Fresh apples (mil. lb.)	2,074.2	2,214.1	2,569.3	1,563.0	352.1	3,165.8	2,769.5	2,249.0	1,775.7	1,340.0
Fresh pears (mil. lb.)	128.6	170.4	162.2	91.6	239.0	333.3	280.3	211.6	178.0	133.9
Frozen fruit (mil. lb.)	516.3	607.3	558.3	461.0	516.2	562.4	550.7	537.8	499.0	461.2
Frozen fruit juices (mil. lb.)	853.4	883.0	967.0	1,281.4	1,111.2	1,002.3	849.7	884.1	916.9	1,070.3

¹ Annual prices are seasonal average ending with year listed. ² Red Delicious, regular storage, Washington extra fancy, carton tray pack. 80-125's. ³ D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

Cotton:

	Marketing year ¹			1976				1977		
	1973/74	1974/75	1975/76	Mar	Oct	Nov	Dec	Jan	Feb	Mar
U.S. price, SLM, 1-1/16 in. (cts./lb.)²										
Northern Europe prices:	67.1	41.7	58.0	55.5	77.0	76.5	73.1	67.0	72.2	75.8
Index (cts./lb.) ³	76.3	52.5	65.3	66.2	86.8	86.5	84.0	78.7	83.8	86.4
U.S., SM 1-1/16 in. (cts./lb.) ⁴	78.3	56.4	71.4	70.3	89.4	87.6	84.7	78.9	85.0	88.1
U.S. mill consumption (thou. bales)	7,448.4	5,833.7	7,227.7	738.3	544.8	515.4	597.9	524.0	550.3	—
Exports (thou. bales)	6,123.0	3,925.9	3,311.3	146.1	226.1	276.9	394.3	371.6	534.7	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index: average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils:

	Marketing Year ¹			1976				1977		
	1973/74	1974/75	1975/76	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.12	6.33	5.25	4.66	6.23	6.58	6.86	7.08	7.25	8.33
Crushings (mil. bu.)	821.3	701.3	865	77.9	72.9	73.4	72.7	72.2	70.7	—
Processing margin (\$/bu.) ²	.72	.17	.16	.09	.13	.19	.20	.17	.11	—
Exports (mil. bu.)	539.1	420.7	555	52.3	60.1	67.4	56.7	50.9	59.9	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	31.5	30.7	18.3	16.6	20.7	21.8	21.0	20.9	22.4	26.5
Production (mil. lb.)	8,994.7	7,376.2	9,630	852.4	807.4	804.0	805.7	786.7	780.1	—
Domestic disappearance (mil. lb.)	7,255.4	6,518.5	7,906	723.1	589.1	599.4	660.1	563.9	663.4	—
Exports (mil. lb.)	1,435.2	1,028.3	976	89.8	108.5	118.1	85.2	107.1	96.7	—
Stocks, beginning (mil. lb.)	515.5	793.5	561	913.2	1,250.6	1,350.6	1,432.0	1,488.1	1,599.5	1,619.1
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	146.35	130.86	147.77	127.90	169.60	181.20	197.60	207.00	211.00	226.20
Production (thou. ton)	19,674.4	16,701.5	20,754	1,820.0	1,747.2	1,763.4	1,741.3	1,725.1	1,682.7	—
Domestic disappearance (thou. ton)	13,766.3	12,501.3	15,552	1,383.2	1,266.3	1,353.9	1,344.6	1,231.4	1,335.3	—
Exports (thou. ton)	5,547.6	4,298.8	5,145	498.0	405.8	394.4	464.8	457.4	305.4	—
Stocks, beginning (thou. ton)	183.2	507.3	358	419.5	354.9	423.5	427.7	353.9	384.7	425.0
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	31.0	32.0	33.0	33.0	33.8	34.0	39.5

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975 and 1976 for margarine. ² Spot basis, Illinois shipping points.

³ Includes shipments to U.S. Territories.

Sugar:

	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale price, N.Y. (\$/cwt.) ¹	29.50	22.47	13.31	16.27	10.65	10.46	10.22	10.95	11.06	11.67
U.S. deliveries (thou. short tons) ^{1,3}	11,237	9,974	10,859	970	853	816	826	828	733	978

¹ Raw value. ² Excludes Hawaii. ³ Preliminary.

Tobacco:

	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Prices at auctions:										
Flue-cured (cts./lb.)	105.0	99.8	110.6	—	112.9	104.5	—	113.2	112.8	110.2
Burley (cts./lb.)	111.5	104.9	113.2	—	—	114.6	114.4	—	—	—
Domestic consumption ¹										
Cigarettes (bil.)	576.2	588.3	² 617.9	58.8	52.2	50.5	43.7	49.0	—	—
Large cigars (mil.)	6,306	5,771	² 5,382	488.7	510.3	458.7	489.3	306.7	—	—

¹ Taxable removals. ² Subject to revision.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Rail freight rate index ¹										
All products (1969=100)	149.7	169.4	186.6	181.2	191.1	191.1	191.6	198.0	198.0	198.2
Farm products (1969=100)	145.3	165.0	182.7	178.0	187.5	187.5	187.7	190.0	190.0	190.2
Food Products (1969=100)	148.9	168.5	185.1	179.5	189.4	189.4	189.5	194.6	194.5	194.9
Rail carloadings of grain (thou. cars) ²	28.2	25.8	25.5	24.2	29.1	26.7	19.8	22.3	25.0	24.5
Barge shipments of grain (mil. bu.) ³	19.8	23.0	30.4	29.4	33.7	39.5	25.1	20.3	15.3	31.4
Fresh fruit and vegetable shipments										
Rail (thou. carlots) ^{3,4}	4.6	3.8	3.2	2.8	2.7	2.0	1.8	2.1	2.2	2.2
Truck (thou. carlots) ^{3,4}	12.6	14.3	16.2	14.4	15.6	13.8	14.6	13.8	11.5	12.7

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1976 and 1977.

General Economic Data

Gross national product and related data

Items	Annual			1975			1976				1977	
	1974	1975	1976	I	II	IV	I	II	III	IV	Ip	
	\$ bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,413.2	1,516.3	1,691.6	1,482.3	1,548.7	1,588.2	1,636.2	1,675.2	1,709.8	1,745.1	1,792.5	
Personal consumption expenditures	887.5	973.2	1,079.7	960.3	987.3	1,012.0	1,043.6	1,064.7	1,088.5	1,122.0	1,156.8	
Durable goods	121.6	131.7	156.5	127.0	136.0	141.8	151.4	155.0	157.6	162.0	173.4	
Nondurable goods	376.2	409.1	440.4	405.8	414.6	421.6	429.1	434.8	441.8	456.0	463.7	
Clothing and shoes	65.1	70.0	75.4	69.3	71.3	73.0	73.5	73.2	75.9	79.0	79.2	
Food and beverages	189.9	209.5	224.4	207.8	211.8	215.2	219.2	223.1	226.2	230.2	234.4	
Services	389.6	432.4	482.8	427.4	436.7	448.6	463.2	474.9	489.1	504.0	519.6	
Gross private domestic investment	215.0	183.7	239.6	164.4	196.7	201.4	229.6	239.2	247.0	242.8	260.2	
Fixed investment	204.3	198.3	227.7	194.3	198.6	205.7	214.7	223.2	231.9	241.0	252.7	
Nonresidential	149.2	147.1	160.0	145.8	146.1	148.7	153.4	157.9	163.0	165.6	173.1	
Residential	55.1	51.2	67.7	48.6	52.6	57.0	61.3	65.3	68.9	75.5	79.7	
Change in business inventories	10.7	-14.6	11.9	-30.0	-2.0	4.3	14.8	16.0	15.1	1.7	7.5	
Net exports of goods and services	7.5	20.5	6.6	24.4	21.4	21.0	8.4	9.3	4.7	4.2	4.9	
Exports	144.4	148.1	162.7	142.9	148.2	153.7	154.1	160.3	167.7	168.5	170.5	
Imports	136.9	127.6	156.0	118.5	126.8	132.7	145.7	151.0	163.0	164.3	175.4	
Government purchases of goods and services	303.3	339.0	365.6	333.2	343.2	353.8	354.7	362.0	369.6	376.2	380.4	
Federal	111.6	124.4	133.4	122.4	124.6	130.4	129.2	131.2	134.5	138.9	139.5	
State and local	191.6	214.5	232.2	210.9	218.6	223.4	225.5	230.9	235.0	237.4	240.9	
Gross national product	1,214.0	1,191.7	1,264.7	1,177.1	1,209.3	1,219.2	1,246.3	1,260.0	1,272.2	1,280.4	1,296.8	
Personal consumption expenditures	759.1	770.3	813.7	767.5	775.3	783.9	800.7	808.6	815.7	829.7	842.2	
Durable goods	112.3	111.9	125.8	108.4	115.1	118.0	124.3	125.2	126.2	127.6	134.7	
Nondurable goods	303.5	306.1	319.3	307.2	306.8	309.5	314.6	317.6	318.9	325.9	326.0	
Clothing and shoes	58.9	61.3	63.9	61.0	62.1	63.4	63.3	62.6	63.8	66.0	65.2	
Food and beverages	147.5	150.5	158.3	151.2	150.4	151.9	155.3	157.7	158.6	161.5	161.6	
Services	343.4	352.4	368.6	351.8	353.4	356.4	361.8	365.8	370.6	376.2	381.5	
Gross Private domestic investment	182.0	137.8	170.9	126.2	148.7	147.0	167.1	171.7	175.2	169.8	178.7	
Fixed investment	173.5	149.8	162.8	147.4	149.7	152.5	156.7	160.6	165.0	169.0	173.8	
Nonresidential	128.5	111.4	115.7	110.6	110.1	110.5	112.6	114.9	117.5	117.9	121.9	
Residential	45.0	38.4	47.1	36.8	39.6	41.9	44.1	45.7	47.4	51.1	51.9	
Change in business inventories	8.5	-12.0	8.1	-21.2	-1.0	-5.5	10.4	11.1	10.2	.9	4.9	
Net exports of goods and services	16.5	22.6	16.0	24.3	22.8	23.1	16.6	16.0	15.7	15.5	12.1	
Exports	97.2	90.6	96.1	87.7	90.7	93.9	93.6	95.4	98.0	97.4	97.8	
Imports	80.7	68.1	80.1	63.4	67.9	70.8	77.0	79.4	82.3	81.8	85.7	
Government purchases of goods and services	256.4	261.0	264.1	259.1	262.4	265.2	261.9	263.6	265.5	265.3	263.8	
Federal	95.3	95.7	96.7	95.3	95.6	97.2	95.4	96.0	97.3	98.1	97.3	
State and local	161.1	165.2	167.4	163.8	166.9	168.0	166.6	167.7	168.2	167.3	166.5	
New plant and equipment expenditures (\$ bil.)	112.40	112.78	120.49	112.46	112.16	111.80	114.72	118.12	122.55	125.22	129.19	
Implicit price deflator for GNP (1972=100)	116.41	127.25	133.75	125.93	128.07	130.27	131.29	132.96	134.40	136.30	138.22	
Disposable income (\$bil.)	982.9	1,080.9	1,181.7	1,088.2	1,091.5	1,119.9	1,147.6	1,172.5	1,190.2	1,216.5	1,245.5	
Disposable income (1972 \$bil.)	840.8	855.5	890.5	869.7	857.1	867.5	880.4	890.5	892.0	899.6	906.8	
Per capita disposable income (\$)	4,639	5,062	5,493	5,102	5,105	5,227	5,347	5,455	5,526	5,637	5,762	
Per capita disposable income (1972 \$)	3,968	4,007	4,140	4,078	4,009	4,049	4,103	4,143	4,142	4,168	4,195	
U.S. population, tot. incl. military abroad (mil.)	211.9	213.5	215.1	213.3	213.8	214.2	214.6	214.9	215.4	215.8	216.2	
Civilian population (mil.)	209.7	211.4	213.0	211.1	211.6	212.1	212.5	212.8	213.2	213.7	214.1	

See footnotes at end of next table.

Selected monthly indicators

Items	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	129.3	117.8	129.8	128.1	130.4	131.8	133.1	132.0	133.3p	135.1p
Manufacturing (1967=100)	129.4	116.3	129.4	127.9	129.9	131.9	132.8	131.1	132.6p	135.0p
Durable (1967=100)	125.7	109.3	121.4	119.0	121.5	123.8	125.2	122.9	124.0p	127.3p
Non durable (1967=100)	134.6	126.4	141.0	140.7	142.2	143.5	143.7	143.1	145.1p	146.3p
Leading economic indicators ³ (1967=100)	122.0	114.1	125.0	123.2	126.4	127.5	128.7	127.0	127.9p	129.7p
Employment ⁴ (Mil. persons)	85.9	84.8	87.5	86.8	87.7	88.2	88.4	88.6	89.0	89.5
Unemployment rate ⁴ (%)	5.6	8.5	7.7	7.5	7.8	8.0	7.8	7.3	7.5	7.3
Personal income ⁵ (\$bil. annual rate)	1,153.3	1,249.7	1,375.3	1,341.9	1,404.2	1,421.4	1,439.5	1,444.3	1,461.5p	1,485.7p
Hourly earnings in manufacturing ⁴ (\$)	4.41	4.81	5.19	5.07	5.28	5.34	5.42	5.46	5.43p	5.48p
Money stock (daily average) ⁶ (\$bil.)	283.1	294.8	312.8	298.1	310.5	310.6	312.8	314.3	314.5p	314.1p
Time and savings deposits (daily average) ⁶ (\$bil.)	418.3	451.7	489.8	457.8	477.5	483.4	489.8	493.8	497.8p	500.2p
Three-month Treasury bill rate ⁷ (%)	7.886	5.838	4.989	5.047	4.930	4.810	4.354	4.597	4.662	—
Aaa corporate bond yield (Moody's) ^{1,4} (%)	8.57	8.83	8.43	8.52	8.32	8.25	7.98	7.96	8.04	8.10
Interest rate on new home mortgages ^{1,7} (%)	8.92	9.01	8.99	8.93	9.07	9.05	9.10	9.05	8.99	8.97p
Housing starts, private (including farm) (thous.)	1,337.7	1,160.4	1,537.5	1,426	1,715	1,706	1,889	1,384p	1,815	2,127p
Auto sales at retail, total ¹ (mil.)	8.9	8.6	8.4	10.8	9.3	9.6	11.0	10.5	10.8p	—
Business sales, total ¹ (\$bil.)	166.8	172.5	193.1	190.2	193.0	197.0	204.9	202.2	207.5p	—
Business inventories, total ¹ (\$bil.)	278.4	275.5	299.1	281.3	298.2	298.9	299.1	302.0	303.8p	—
Sales of all retail stores (\$bil.) ¹⁰	44.8	48.7	54.3	53.3	54.6	55.6	57.9	56.7	58.2	69.6p
Durable goods stores (\$bil.)	13.9	15.1	17.8	17.0	17.6	18.2	19.7	19.0	19.8	25.4p
Non durable goods stores (\$bil.)	30.9	33.6	36.5	35.9	37.1	37.4	38.2	37.6	38.4	39.0p
Food stores (\$bil.)	9.9	11.0	11.7	11.6	11.9	11.9	12.2	11.9	12.1	12.3p
Eating and drinking places (\$bil.)	3.5	4.0	4.4	4.3	4.4	4.4	4.5	4.5	4.8	4.9p
Apparel and accessory stores (\$bil.)	2.1	2.2	2.4	2.4	2.4	2.4	2.5	2.4	2.5	2.5p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ Moody's Investors Service. ⁷ Federal Home Loan Bank Board. ⁸ Adjusted for seasonal variations, holidays, and trading day differences. ⁹ Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

Items	Annual			1976				1977		
	1974	1975	1976	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Export commodities:										
Wheat, f.o.b. Gulf ports (\$/bu.)	4.54	4.16	3.65	4.18	3.07	2.96	2.93	2.97	3.04	2.97
Corn, f.o.b. Gulf ports (\$/bu.)	3.36	3.10	2.91	2.91	2.79	2.53	2.67	2.86	2.93	2.78
Grain sorghum, f.o.b. Gulf ports (\$/bu.)	3.08	2.95	2.73	2.83	2.58	2.42	2.51	2.58	2.63	2.53
Soybeans, f.o.b. Gulf ports (\$/bu.)	6.42	5.72	6.07	4.93	6.53	6.82	7.09	7.36	7.80	8.65
Soybean oil, Decatur (cts./lb.)	35.80	25.39	18.05	16.56	20.73	21.75	20.95	20.86	21.34	26.46
Soybean meal, Decatur (\$/ton)	140.85	124.05	155.82	127.90	169.60	181.20	197.60	207.00	211.00	226.20
Cotton, 10 market avg. spot (cts./lb.)	54.88	44.70	67.70	55.47	76.98	76.53	73.10	66.95	72.15	75.75
Tobacco, avg. price of auction (cts./lb.)	94.00	103.50	105.73	100.50	112.90	111.20	114.40	113.40	114.70	113.40
Rice, f.o.b. mill, Houston (\$/cwt.)	28.33	21.28	16.17	17.10	14.75	14.80	14.10	13.85	13.90	14.00
Inedible tallow, Chicago (cts./lb.)	15.25	12.04	13.27	13.60	13.00	13.00	12.97	13.40	13.87	14.56
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	69.30	77.27	142.36	110.00	155.90	172.00	196.10	222.10	240.50	316.10
Sugar, N.Y. spot (cts./lb.)	29.50	22.47	13.31	16.27	10.65	10.46	10.22	10.95	11.06	11.67
Cow meat, f.o.b. port of entry (cts./lb.)	71.77	60.20	71.69	77.43	64.79	64.07	67.93	71.55	74.31	73.58
Rubber, N.Y. spot (cts./lb.)	39.40	30.60	39.59	37.72	42.28	43.00	40.22	40.82	41.11	41.48
Cocoa beans, N.Y. spot (cts./lb.)	98.30	74.90	109.60	75.70	138.20	154.00	155.40	175.90	193.10	205.80
Bananas, f.o.b. port of entry (\$/40-lb. box)	3.34	4.41	4.67	4.92	4.80	4.19	4.26	4.38	5.44	5.50
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.35	1.75	1.75	1.78	1.78	1.79	1.74	1.72	1.74	1.76
Quantity Indices										
Export (1967=100)	155	156	174	174	201	191	191	167	177	n.a.
Import (1967=100)	115	123	138	156	122	136	148	141	146	n.a.
Unit Value Indices										
Export (1967=100)	223	221	207	203	211	210	206	216	217	n.a.
Import (1967=100)	193	203	217	195	239	247	246	262	281	n.a.

n.a. not available.

U.S. agricultural exports

Selected commodities	October-February				February			
	1975/76	1976/77	1975/76	1976/77	1976	1977	1976	1977
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	49,442	42,685	—	—	8,598	5,246
Meat and preps., excl. poultry (lb.)	304,029	386,838	224,189	244,062	69,293	68,440	50,221	46,562
Dairy products, excl. eggs	—	—	32,703	55,360	—	—	7,427	10,388
Poultry and poultry products	—	—	82,771	119,011	—	—	18,203	21,785
Grains and preparations	—	—	5,136,753	4,071,800	—	—	836,637	736,675
Wheat and wheat flour (bu.)	507,316	333,717	2,198,703	1,200,041	73,727	63,646	308,624	224,005
Rice, milled (lb.)	1,566,959	1,824,718	243,615	250,340	275,405	296,904	40,009	42,183
Feed grains (metric ton)	21,530	22,699	2,591,109	2,512,633	3,949	3,985	471,988	450,203
Other	—	—	103,326	108,786	—	—	16,016	20,284
Fruits, nuts, and preparations	—	—	382,461	419,134	—	—	62,778	74,925
Vegetables and preparations	—	—	232,490	333,333	—	—	47,903	60,054
Sugar and preps., incl. honey (lb.)	228,734	228,219	40,601	27,690	37,441	44,623	6,705	4,994
Coffee, tea, cocoa, spices, etc. (lb.)	41,223	36,758	39,505	47,252	6,416	7,148	6,510	9,868
Feeds and fodders	—	—	455,295	624,845	—	—	87,538	103,694
Protein meal (short ton)	2,085	2,105	314,586	378,418	400	314	58,898	62,635
Beverages, excl. distilled alcoholic (gal.)	2,517	4,399	5,404	8,553	382	797	759	1,613
Tobacco, unmanufactured (lb.)	340,481	313,636	526,969	520,410	53,315	53,339	80,493	88,810
Hides, skins, and furskins	—	—	233,584	358,381	—	—	61,765	94,512
Oilseeds	—	—	1,636,182	2,198,782	—	—	281,401	451,781
Soybeans (bu.)	277,793	295,014	1,502,748	2,039,931	52,193	59,915	265,726	433,906
Wool, unmanufactured (lb. grease basis)	3,653	2,630	7,394	8,869	237	115	643	511
Cotton, unmanufactured (running bale)	1,066	1,814	266,461	616,776	154	524	40,035	182,159
Fats, oils, and greases (lb.)	879,007	1,243,111	160,834	215,886	159,633	286,095	28,223	51,308
Vegetable oils and waxes (lb.)	794,784	953,674	214,313	248,970	217,314	210,234	49,168	52,965
Rubber and allied gums (lb.)	16,155	17,604	8,457	9,439	3,251	3,541	1,726	2,080
Other	—	—	190,098	234,448	—	—	38,401	45,940
Total	—	—	9,925,906	10,405,686	—	—	1,715,134	2,045,870

U.S. agricultural exports by regions

Region ¹	October-February				February				Change from year-earlier	
	1975/76	1976/77	1976	1977	1976/77	1977	Oct-Feb	Feb	1976/77	1977
	\$ Mil.				Pct.				1976/77	1977
Western Europe	3,353	4,194	562	813	+25	+45				
Enlarged European Community	2,681	3,459	450	663	+29	+47				
Other Western Europe	672	735	111	150	+9	+35				
Eastern Europe and USSR	1,327	826	277	180	-38	-35				
USSR	1,022	506	194	137	-50	-29				
Eastern Europe	305	320	84	44	+5	-48				
Asia	3,059	3,383	526	709	+11	+35				
West Asia	335	422	63	92	+26	+46				
South Asia	505	260	87	26	-49	-70				
Southeast Asia, ex. Japan and PRC	786	928	131	213	+18	+63				
Japan	1,430	1,772	244	378	+24	+55				
Peoples Republic of China	2	0	(²)	0	-	-				
Latin America	960	715	156	128	-26	-18				
Canada, excluding transshipments	558	645	107	121	+16	+13				
Canadian transshipments	212	124	(³)	(³)	-42	-				
Africa	406	459	78	82	+13	+5				
North Africa	264	254	57	49	-4	-14				
Other Africa	143	205	21	33	+43	+57				
Oceania	52	60	9	12	+15	+33				
Total ²	9,926	10,406	1,715	2,046	+5	+19				

¹ Not adjusted for transshipments. ² Totals may not add due to rounding. ³ Less than \$500,000.

Trade balance

Items	October-February		February	
	1975/76	1976/77	1976	1977
\$ MIL.				
Agricultural exports ¹	9,926	10,406	1,715	2,046
Nonagricultural exports ²	36,100	38,532	7,021	7,358
Total exports ³	46,026	48,938	8,736	9,404
Agricultural imports ³	3,989	5,145	769	1,127
Nonagricultural imports ⁴	38,769	49,275	7,407	9,459
Total imports ⁴	42,758	54,420	8,176	10,586
Agricultural trade balance	5,937	5,261	946	919
Nonagricultural trade balance	2,669	-10,743	-386	-2,101
Total trade balance	3,268	-5,482	560	-1,182

¹ Domestic exports including Department of Defense shipments, (F.A.S. value). ² Domestic and foreign exports excluding Department of Defense shipments, (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

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